2025

INTERIM REPORT

Shanghai Electric Group Company Limited

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CORPORATE PROFILE

Corporate Information

Legal name of the Company (Chinese)	上海電氣集團股份有限公司
Abbreviated legal name of the Company (Chinese)	上海電氣
Legal name of the Company (English)	Shanghai Electric Group Company Limited
Abbreviated legal name of the Company (English)	Shanghai Electric
Company's legal representative	Wu Lei
Company's authorized representatives	Wu Lei, Zhu Zhaokai
Company's alternative authorized representative	Hu Xupeng
Joint Company Secretaries	Hu Xupeng, Leung Kwan Wai

Contact Person and Contact Details

	Secretary to the Board
Name	Hu Xupeng
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Summary of Basic Information

Registered address	No. 16 Lane 1100, Huashan Road, Shanghai (zip code: 200052)
Business address	No. 110 Sichuan Middle Road, Huangpu District, Shanghai (zip code: 200002)
Company website	www.shanghai-electric.com
Company email	service@shanghai-electric.com

Information Disclosure and Place for Inspection of Interim Report of the Company

Company's designated newspapers for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times
The place for inspection of interim report of the Company	Office of the Board of the Company
Website designated for publishing interim report required by China Securities Regulatory Commission	www.sse.com.cn
Website designated for publishing interim report required by The Stock Exchange of Hong Kong Limited	www.hkexnews.hk

Summary Information of the Company's Shares

Class of Shares	Place of Listing of Shares	Abbreviation of Shares	Stock Code
A shares	The Shanghai Stock Exchange	上海電氣	601727
H shares	The Stock Exchange of Hong Kong Limited	SH ELECTRIC	02727

Share Registrar and Transfer Office

A shares: Shanghai Branch of China Securities Depository and Clearing Corporation Limited

H shares: Computershare Hong Kong Investor Services Limited

Other Relevant Information

Date of incorporation of the Company	1 March 2004
Place of incorporation of the Company	Shanghai, PRC
Legal advisers appointed by the Company as to PRC laws	Grandall Law Firm (Shanghai)
Legal advisers appointed by the Company as to Hong Kong laws	Clifford Chance

PERFORMANCE HIGHLIGHTS

- Total revenue of the Company for first half of 2025 was **RMB54,303 million**, an increase of **8.9%** as compared with the corresponding period of last year

- Net profit attributable to owners of the Company for first half of 2025 was **RMB821 million**, an increase of **7.3%** as compared with the corresponding period of last year

- Basic earnings per share of the Company for first half of 2025 was **RMB0.053 yuan**, an increase of **8.2%** as compared with the corresponding period of last year

- New orders for first half of 2025 amounted to **RMB 109.81 billion**

- The Board did not propose to declare an interim dividend for 2025

CHAIRMAN'S STATEMENT

Chairman Wu Lei

In the first half of 2025, amid a complex and challenging global economic landscape and a domestic market where the foundation for demand recovery remains fragile, the Group adhered to its overarching principle of "serving national strategies, aligning closely with national needs, developing new quality productive forces, building core competitiveness, and achieving high-quality development". We diligently advanced key tasks under the "multiple pillars" (including four key tasks and eight specialized actions), laying a solid foundation for accomplishing our annual objectives.

Results Review

During the six months ended 30 June 2025 (the "Reporting Period"), the Company achieved total revenue of RMB54,303 million, representing a year-on-year increase of 8.9%. The gross profit margin of the Company for the Reporting Period was 19.0%. The net profit attributable to owners of the Company for the Reporting Period was RMB821 million, representing a year-on-year increase of 7.3%. The basic earnings per share of the Company for the Reporting Period was RMB0.053 yuan, representing a year-on-year increase of 8.2%.

During the Reporting Period, the Company obtained new orders in the amount of RMB109.81 billion. Among the new orders of the Company, orders for energy equipment amounted to RMB60.04 billion (of which orders for coal-fired power equipment, nuclear power equipment, wind power equipment and energy storage equipment amounted to RMB20.08 billion, RMB6.77 billion, RMB13.90 billion and RMB7.46 billion, respectively), orders for industrial equipment amounted to RMB22.82 billion, and orders for integration services amounted to RMB26.95 billion.

During the Reporting Period, the main business operation of the Company was as follows:

Implementing National Strategies and Seizing New Opportunities in Energy Development

We take serving the national strategy as our mission, and actively seize opportunities arising from national energy policies to contribute to the construction of a new power system. In the nuclear power sector, we have mastered the manufacturing and inspection (testing) technologies for key nuclear power equipment. During the Reporting Period, we undertook a total of 8 nuclear island main equipment units, and successfully produced 9 nuclear island main equipment units and 1 set of conventional island equipment; we cumulatively completed and delivered 17 sets of nuclear island main equipment, encompassing the fully promoted mass construction of the "Hualong No.1", CAP series reactor projects, as well as significant national engineering projects such as high-temperature gas cooled reactors. In the field of coal-fired power, we continued to focus on the market of "three reforms linkages" (三改聯動) of coal-fired power generation stations, maintained the global record for the lowest coal consumption of coal-fired power units, achieved coal saving and carbon reduction, deep peak modulation, thermal electric decoupling and efficient heating, and continued to play an important role in building a clean, low-carbon, safe and efficient energy system. During the Reporting Period, we won the bids for the electromechanical equipment and auxiliary furnaces of Guodian Changshu 3×660MW ultra-supercritical coal-fired power generation unit replacement and expansion project (國電常熟 3×660MW 超超臨界燃煤發電機組替代擴建項目), , as well as the electromechanical equipment for projects such as the Baise 2×660MW ultra-supercritical secondary reheat project (百色 2×660MW 超超臨界二次再熱項目), Mawan Power Plant upgrade and coal power environmental replacement Phase I project 2×660MW ultra-supercritical secondary reheat project (媽灣電廠升級改造煤電環保替代一期工程 2×660MW 超超臨界二次再熱項目) and the Jiangsu Guoxin Yangzhou Phase III 2×1000MW ultra-supercritical secondary reheat project (江蘇國信揚州三期 2×1000MW 超超臨界二次再熱項目). During the Reporting Period, we ensured the orderly and efficient execution of contracted projects. Among them, the 1×1000 MW ultra-supercritical secondary reheat coal-fired power generation unit of Phase II expansion project of Anhui Qianyingzi Power Generation Co., Ltd. (安徽錢營孜發電有限公司二期擴建項目 1×1000 兆瓦超超臨界二次再熱燃煤發電機組) and Unit 6 of Huadian Fujian Kemen Phase III (華電福建可門三期 6 號機組), for which we supplied electromechanical equipment and auxiliary furnaces, were officially put into operation, providing reliable energy support for local economies. In terms of gas turbines, as the only domestic supplier with mature full-lifecycle supply and service capabilities for heavy-duty gas turbines, we won bids for the Hebei Jiantou Xintian Funing (河北建投新天撫寧) 2×Large F gas turbine project and Huaihe Energy Wuhu (淮河能源蕪湖) 2×Large F gas turbine project, offering customers comprehensive, one-stop, and independent services throughout the entire lifecycle. In terms of wind power, Shanghai Electric Wind Power Group Co., Ltd(上海電氣風電集團股份有限公司)("SEWP"), a subsidiary of the Company, possesses leading domestic capabilities in wind turbine design and manufacturing, having built China's largest offshore wind power sample database and delivered multiple benchmark offshore wind projects. Through technological innovation, product diversification and industrial chain integration, SEWP has developed onshore product matrix covering 1.25–11MW, capable of adapting to various complex terrains. During the Reporting Period, we achieved significant growth of wind power equipment through industrial collaboration, leveraging key projects to drive broader development, resource partnerships, long-term market cultivation, regional expansion, and central-local cooperation. In the field of energy storage, we actively deployed technologies such as compressed air energy storage and liquid flow energy storage, building a diverse energy storage industry ecosystem, providing multi-scenario energy storage solutions. During the Reporting Period, the 300 MW compressed air energy storage generator independently developed by us in Jiuquan, Gansu, was successfully shipped, marking a significant advancement in China's manufacturing of key equipment in the energy storage sector; the world's first 300 MW-level compressed air energy storage power station, "Energy Storage No. 1", which we participated in constructing, achieved full-capacity grid-connected power generation in Yingcheng, Hubei; we won the bids for the 10MW/40MWh all-vanadium redox flow battery energy storage project of the Fengxian Xinghuo Comprehensive Comparison and Testing Demonstration Base for Multiple New Energy Storage Technology Routes (Phase I) Project (奉賢星火綜合多種新型儲能技術路線對比測試示範基地（一期）項目) and the 12MW/48MWh all-vanadium redox flow battery energy storage project of the State Power Investment Corporation Shanghai Wujing Thermal Power Plant, both of which are among the first batch of eight grid-side independent energy storage power stations planned by Shanghai.

We actively integrated into the national "Belt and Road" initiative, steadily advancing our global strategic layout. During the Reporting Period, we signed a cooperation agreement with Abu Dhabi Future Energy Company (阿布達比未來能源有限公司) for the 2GW photovoltaic project in Saudi Arabia's Saidawei, which is part of Saudi Arabia's fifth round of the National Renewable Energy Program and the largest photovoltaic EPC project undertaken by Shanghai Electric to date. We also secured the contract for Package 1 of the Chittagong Phase 2 Substation EPC project in Bangladesh (孟加拉吉大港 2 期包 1 變電站總包項目), a national-level project under Bangladesh's power development plan, involving the construction, upgrade, and expansion of 16 33kV GIS substations. During the Reporting Period, the Zafarabad 220kV digital substation project in Jizzakh, Uzbekistan (烏茲別克斯坦吉紮克州的紮法拉巴德 220 千伏數字化變電站項目), constructed by us, was completed on schedule. This is the first digital substation in Uzbekistan and will play a crucial role in improving power supply in eastern Uzbekistan. Additionally,

CHAIRMAN'S STATEMENT

the SIMILAJAU-BUNUT 500kV transmission line project in Sarawak, Malaysia (馬來西亞沙撈越 SIMILAJAU-BUNUT 500千伏輸電線路工程), undertaken by us as the EPC contractor, achieved full-line completion, providing more reliable power supply to the region.

Accelerating Core Business Transformation and Driving Industrial Structural Optimization and Upgrading

By benchmarking against industry leaders and leveraging our integrated technological strengths, the Group has accelerated the transformation of its core businesses toward high-end and intelligent development. In the elevator segment, Shanghai Mitsubishi Elevator Co., Ltd. ("SMEC") (上海三菱電梯有限公司), a subsidiary of the Company, launched the LNK Smart Elevator Digital Solution 3.0, iteratively enhancing elevator management efficiency and passenger experience through scenario-based empowerment and customized solutions. Its online spare parts marketplace was officially launched, simplifying and visualizing procurement processes. During the Reporting Period, SMEC secured the elevator contract for "Puxi's Tallest Building" located at Shanghai North Bund Plot 91, and a dedicated super high-rise project team will be established to ensure end-to-end quality control from installation and handover to maintenance, aiming to maximize value for customers. In the field of industrial basic parts, our blade business has achieved a leap from traditional coal-fired power turbine industry to the aviation, aerospace, and gas turbine industries, and upgraded from a single-focus energy blade business to various high-end products such as aviation blades, key core components, and hot-end components, becoming a leading enterprise in the manufacturing of key core components in the "gas turbine and aircraft engine" field. Our bearing business continues to expand its market in fields such as aerospace and aviation, high-speed rail transit, medical equipment, industrial equipment, and automotive bearings. During the Reporting Period, the bearing production base of the Company located in Waigang Town, Jiading District, Shanghai was officially put into operation. Focusing on three core areas of intelligent manufacturing, smart logistics and digital management, the base concentrates on high-end fields that urgently need domestic substitution, such as rail transit bearings, high-speed bearings for new energy vehicles and robotic reducer bearings. In the field of aviation assembly and manufacturing lines, we rely on our advanced manufacturing capabilities and integrated equipment strength to provide safe and controllable intelligent solutions for high-end manufacturing customers such as aircraft manufacturers and aviation engine manufacturers. In the field of smart transportation, our two systems, TSTCBTC® 2.0 and TSTIOM® were successfully certified under the Localized Equipment Evaluation of China Association of Metros, securing a spot on its latest recommended list of localized equipment. We have actively created the "Shanghai Electric Scheme" for the digital intelligence transformation of energy and high-end equipment. We strengthened the construction of cloud computing, industrial Internet, artificial intelligence, block chain and other digital infrastructure and the application of cutting-edge technologies, to closely integrate with industry, promote the efficient complementation and synergy of all entities in the digital industry ecosystem, expand new application scenarios of digital intelligence integration and application to comprehensively improve the automation, digitization and intelligence within the industry.

We have expanded and strengthened the expansion and collaboration across industrial chains, accelerating the green and low-carbon transformation of core industries. The first phase of the Wind-Biomass Coupled Green Methanol Integrated Demonstration Project in Taonan, Jilin Province with a production capacity of 50,000 tons per year, which we have built, has been put into operation. Leveraging local wind resources and biomass advantages, the project achieves green hydrogen production through renewable power coupled with biomass gasification. During the Reporting Period, we entered into a long-term framework agreement with CMA CGM S.A. and Shanggang Group Energy (Shanghai) Co., Ltd.* (上港集團能源（上海）有限公司) ("Shanggang Energy") to provide medium-to-long-term green methanol fuel supply to CMA CGM S.A. while collaborating with Shanggang Energy to establish a land-sea multimodal transportation system for delivering green methanol from Taonan, Jilin to Shanghai Port for bunkering operations, thereby forming a closed-loop of "production-transportation-bunkering". Our 1.1MW/10.8MWh multi-tech thermal storage green steam system, developed based on technology of molten salt thermal storage coupled with high-temperature heat pump for green steam supply technology, has completed trial operations and commenced commercial operation. This innovative project integrates a single-tank molten salt system for heat storage and exchange with high-temperature heat pumps, representing a significant breakthrough in China's multi-tech thermal storage technology and providing a promotable and replicable model for green and low-carbon transformation in industrial sectors.

Anchoring Technological Innovation and Accelerating the Cultivation of New Growth Drivers

Closely adhering to the core technological mission of "unswervingly advancing high-level self-reliance in science and technology, supporting high-quality industrial development, and deepening the construction of organized technological innovation system", we have accelerated the layout in core areas and fostered new growth drivers. Through technological investment, we continuously promote the development of strategic emerging industries and future industries, accelerate the formation of industrial demonstration applications, promote large-scale replication and promotion, and create a new growth pole for the Company. In the field of robotics, we have adopted a dual-drive strategy combining "independent R&D with ecosystem partnerships", initially building an industrial chain that spans industrial robots, specialized robots, and intelligent robots. Leveraging our participation in the National-Local Joint Humanoid Robotics Innovation Center, commercialization has been promoted, and application tests of humanoid robots have been carried out in the nuclear power industry scenario first. In the field of nuclear fusion, the project of Key Technologies and Engineering Applications of Thousand-Second Steady-State High-Parameter Plasma in EAST Mega-Science Facility, jointly submitted with our participation, was awarded the Special Prize of Anhui Provincial Science and Technology Progress Award. We successfully delivered the world's first cryogenic test cryostat for ITER magnet systems, with subsequent deliveries planned for core components of multiple host systems including China's major national science and technology infrastructure CRAFT project and the compact fusion experimental device BEST project. Our 500MW-class fully hydrogen-cooled generator with full independent intellectual property rights has successfully passed the technical evaluation by the expert team of the Shanghai Society of Electrical Engineering. This generator has overcome critical technological bottlenecks in electromagnetism, ventilation and cooling, mechanics, insulation, structure and process for large-capacity GVPI hydrogen-cooled generators, providing essential equipment support for the development of China's large-scale clean gas power industry. Our independently developed new-generation 1750kW high-capacity centralized energy storage converter (PCS) has successfully passed both grid-forming and grid-following mode compliance tests. As the core component integrated with dedicated energy management and coordinated control systems, it delivers comprehensive performance enhancements—from ensuring grid transient stability to optimizing long-term operational efficiency for cost savings. The ultra-high-speed multi-station lamination-cutting integrated equipment developed by Shenzhen Yinghe Technology Co., Ltd. ("Yinghe Technology") (赢合科技股份有限公司), a subsidiary of the Company, has achieved a breakthrough in mass production and has been delivered to several leading users. As a pioneer in lamination process equipment research, Yinghe Technology has mastered world-leading high-speed lamination technology, accelerating the lithium battery industry's transition into the "Era of Lamination".

We are committed to advancing structured scientific research, continuously improving our technological innovation system, accelerating the development of innovation platforms, and enhancing the efficiency of technological innovation. Through strengthened collaboration with leading academic institutions such as Tsinghua University and Shanghai Jiao Tong University, we have established joint research institutes and innovation centers to deepen industry-academia-research integration in core technology domains. During the Reporting Period, our subsidiary industrial groups, capitalizing on their respective specialized competencies, established innovation ecosystem director mechanisms with leading academic institutions including Zhejiang University, East China University of Science and Technology and Tongji University to strengthen ongoing technological collaboration. In accordance with the overall requirement of "building high-level scientific and technological innovation platforms to support high-level original technology research and development", on the basis of the approval of building the Shanghai Key Laboratory of Resource Electrothermal Conversion and Recycling, we are now promoting the construction of scientific and technological innovation platforms in fields such as high-end equipment materials, industrial automation, green fuels and hydrogen energy in a structured and phased manner. Leveraging our pivotal role as an industrial ecosystem anchor, we are consolidating premium enterprises in the industry and orchestrating upstream-downstream value chain synergies

CHAIRMAN'S STATEMENT

to progressively enhance innovation platform capabilities through flagship project initiatives, thereby forging the core engine for the high-quality development of the Group.

Deepening Management Enhancement and Unleashing New Growth Momentum

Centering on the theme of designating 2025 as the "Year of Management Enhancement" of the Company, we are committed to strengthening and optimizing, focusing on our main responsibilities and core business, and implementing structural optimization and adjustment. We have further consolidated our core industries, stepped up efforts in disposing of non-core and inefficient assets, optimized resource allocation, and enhanced operational efficiency. We have integrated new energy businesses including wind, solar, and energy storage as well as comprehensive energy services, strengthened cross-industry and cross-business coordination and overall planning, deepened resource integration and internal synergies, and driven improvements in our comprehensive energy solution capabilities. Through multi-party cooperation, we have worked with upstream and downstream partners in the industrial chain to create integrated advantages, fostering collaborative innovation, breakthroughs in core technologies, and industrial transformation of innovation achievements. With the construction of functional companies aligned with the Group's strategy, we have defined their roles, reform directions and overall reform optimization plans, advanced implementation of reforms of functional companies to provide stronger support for the Group's development. We have refined the functional setup of the Group headquarters, further enhancing the ability for top-level green development planning of the Group and strengthening the ability to support national equipment industry development as well as the ability to coordinate the industrial development with capital operation of the Group.

We have consistently adhered to the principle of "talent as the primary resource", thoroughly implemented the strategy of strengthening the enterprise with talent in the new era, and continuously deepened the reform of talent development systems and mechanisms. Guided by market-oriented reforms, we have upheld the clear principle of "recognizing achievement through action and promoting based on performance", cultivating composite talent team with international vision. By focusing on key core technology areas, we have built the training system for outstanding engineers with in-depth integration of "industry, university, research and application", and designed and implemented specialized programs to cultivate national-level technological leaders within the Group. We have innovated incentive and constraint mechanisms driven by value creation, and established a more market-competitive compensation allocation system. Through systematic institutional innovation, we have strived to forge "three talent teams": a management team "capable of winning battles", developing a cohort of professional, modern and international industry leading talents; a team of technology experts and project leaders "capable of seizing opportunities in key sectors", cultivating a group of technical pioneers with industrial driving force and industry influence; and a team of chief technicians "capable of achieving remarkable feats", nurturing a pool of master craftsmen representing national excellence. These efforts have provided the primary resource foundation for the Group to achieve high-level technological self-reliance, self-improvement and high-quality development.

Looking ahead to the second half of 2025, we will firmly adhere to our guiding principle of "serving national strategies, aligning closely with national needs, developing new quality productive forces, building core competitiveness, and achieving high-quality development" and pursue the dual-drive strategy of "upgrading traditional businesses and promoting breakthroughs in emerging businesses". We will continuously strengthen and optimize our main business, consolidate and expand the advantages of advanced manufacturing, and strengthen the research on key core technologies and the layout of future industries. By delivering outstanding performance, we will uphold the banner of "Shanghai Manufacturing" and lay a solid foundation for the Group's high-quality development in the 15th Five-Year Plan period, accelerating our journey toward becoming a world-class enterprise.

Wu Lei
Chairman
Shanghai, the PRC
29 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company achieved total revenue of RMB54,303 million, representing a year-on-year increase of 8.9%. The net profit attributable to owners of the Company was RMB821 million, representing a year-on-year increase of 7.3%.

Principal Activities and Operation Review of the Company

Energy Equipment

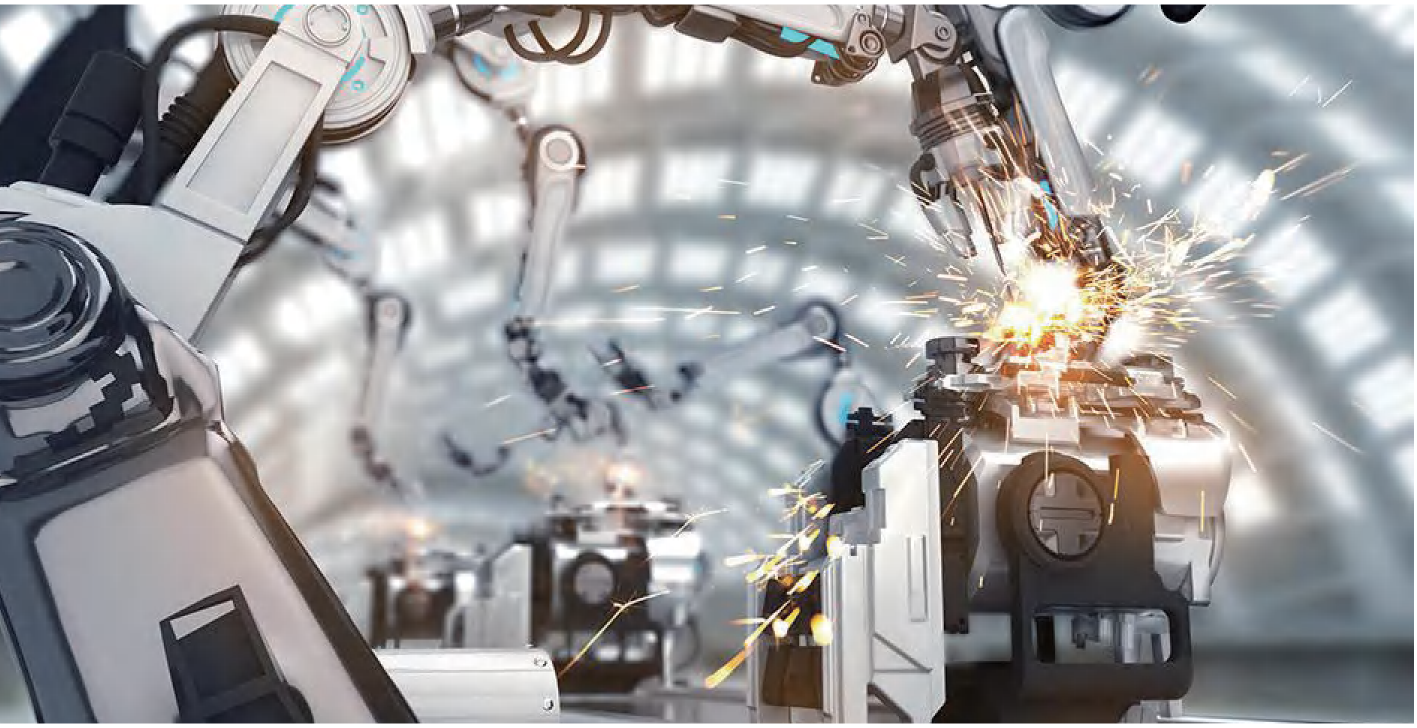
During the Reporting Period, the energy equipment segment achieved total revenue of RMB30,116 million, representing a year-on-year increase of 22.2%, which was mainly due to the increase in sales revenue of coal-fired power generation business benefited by the domestic industry policies. During the Reporting Period, the gross profit margin of the energy equipment segment was 19.3%.

Industrial Equipment

During the Reporting Period, the industrial equipment segment achieved total revenue of RMB18,598 million, representing a year-on-year decrease of 1.9%, which was mainly due to the impact of the real estate industry on the elevator business, resulting in a decrease in revenue scale. During the Reporting Period, the gross profit margin of the industrial equipment segment was 16.6%.

Integration Services

During the Reporting Period, the integration services segment achieved total revenue of RMB8,260 million, representing a year-on-year increase of 3.8%, which was mainly due to the year-on-year increase of revenue from engineering projects. During the Reporting Period, the gross profit margin of the integration services segment was 15.1%.



Major Financial Data and Indicators

Unit: '000; Currency: RMB

	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared to the end of last year (%)
Total assets	312,900,090	302,504,988	3.44
Equity attributable to owners of the Company	54,016,669	53,189,916	1.55
Net assets per share attributable to owners of the Company (Yuan/share)	3.47	3.41	1.76

	The Reporting Period	The corresponding period of last year (Restated)	Year-on-year Change (%)
Total revenue	54,303,335	49,868,517	8.89
Operating revenue	54,007,759	49,554,334	8.99
Operating profit	2,813,273	2,520,811	11.60
Total profit	2,831,667	2,566,225	10.34
Net profit attributable to owners of the Company	820,752	764,798	7.32
Net profit attributable to owners of the Company after deducting non-recurring profit or loss	545,677	244,820	122.89
Basic earnings per share (Yuan/share)	0.053	0.049	8.16
Weighted average return on net assets (%)	1.53	1.37	an increase of 0.16 percentage point
Net cash flow generated from operating activities	1,568,155	(240,739)	N/A
Net cash flow per share generated from operating activities (Yuan)	0.10	(0.02)	N/A

Notes to the major financial data and indicators:

1. In December 2024, Shanghai Electric Automation Group Co., Ltd.* (上海電氣自動化集團有限公司), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Shanghai Ningsheng Industrial Co., Ltd.* (上海寧笙實業有限公司) ("Ningsheng Industrial") in cash from SEGC. Pursuant to Accounting Standards for Business Enterprises No. 33, this transaction constituted a business combination under the same control, and the net profit or loss of the subsidiary that was combined under the same control from the beginning of the period to the combination date is classified as non-recurring profit or loss. Therefore, the net profit of Ningsheng Industrial during the year of 2024 was recognised in non-recurring profit or loss of the Company.
2. During the Reporting Period, the Company achieved year-on-year growth in both operating revenue and gross profit, as well as the increase in operating profit of the Company, due to the continued impact of favorable coal-fired power policies.

Major Financial Reporting Items and Analysis of Changes

Unit: 100 million; Currency: RMB

	The Reporting Period	The corresponding period of last year (Restated)	Year-on-year Change (%)
Operating revenue	540.08	495.54	8.99
Operating cost	439.63	402.26	9.29
Selling and distribution expenses	14.82	13.62	8.81
General and administrative expenses	34.36	33.92	1.30
Research and development expenditures	25.46	23.27	9.41
Financial expenses	3.05	2.01	51.74
Net cash flows from operating activities	15.68	(2.41)	N/A
Net cash flows from investing activities	(53.39)	40.85	N/A
Net cash flows from financing activities	(0.34)	5.27	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of Changes

Reasons for change in financial expenses: mainly due to the change in deposit interest rates during the Reporting Period.

Reasons for change in net cash flows from operating activities: mainly due to the year-on-year decrease of the net increase in loans and advances to customers paid by Shanghai Electric Group Finance Company Limited, a subsidiary of the Company.

Reasons for change in net cash flows from investing activities: mainly due to the Company's efforts to utilize idle funds to invest the time deposit to boost returns since the significant increase of net cash flows from operating activities.

Reasons for change in net cash flows from financing activities: mainly due to the year-on-year decrease of cash received from the bonds issuance of the subsidiary of the Company.

Assets and Liabilities

As at 30 June 2025, total assets of the Group were RMB312,900 million (31 December 2024: RMB302,505 million), representing an increase of RMB10,395 million, or 3.4%, compared with that of the beginning of the year. Among which, current assets were RMB211,299 million (31 December 2024: RMB203,789 million), representing an increase of RMB7,510 million from the beginning of the year and accounting for 67.5% of the total assets. Non-current assets were RMB101,601 million (31 December 2024: RMB98,716 million), representing an increase of RMB2,885 million from the beginning of the year and accounting for 32.5% of the total assets.

As at 30 June 2025, total liabilities of the Group were RMB234,585 million (31 December 2024: RMB225,125 million), representing an increase of RMB9,460 million, or 4.2%, compared with that of the beginning of the year. Among which, current liabilities were RMB202,379 million (31 December 2024: RMB190,492 million), representing an increase of RMB11,887 million from the beginning of the year. Non-current liabilities were RMB32,206 million (31 December 2024: RMB34,633 million) representing a decrease of RMB2,427 million from the beginning of the year.

As at 30 June 2025, total net current assets of the Group were RMB8,920 million (31 December 2024: RMB13,297 million), representing a decrease of RMB4,377 million from the beginning of the year.

Source of Funding and Indebtedness

As at 30 June 2025, the Group had an aggregate amount of bank and other borrowings and bonds of RMB47,822 million (31 December 2024: RMB46,786 million), representing an increase of RMB1,036 million as compared with that as of the beginning of the year. Borrowings and bonds repayable by the Group within one year amounted to RMB22,925 million, representing an increase of RMB3,821 million as compared with that as of the beginning of the year. Borrowings and bonds repayable after one year amounted to RMB24,897 million, representing a decrease of RMB2,785 million as compared with that of the beginning of the year.

As at 30 June 2025, among the Group's bank and other borrowings,

(1) The unsecured borrowings
borrowings denominated in US dollars amounted to USD70,000 thousand in total (31 December 2024: USD70,000 thousand), equivalent to RMB501,102 thousand (31 December 2024: RMB503,188 thousand);
borrowings denominated in Euros amounted to EUR222,162 thousand in total (31 December 2024: EUR221,714 thousand), equivalent to RMB1,866,691 thousand (31 December 2024: RMB1,668,551 thousand);
borrowings denominated in Hong Kong dollars amounted to HKD815,000 thousand in total (31 December 2024: HKD815,000 thousand), equivalent to RMB743,239 thousand (31 December 2024: RMB754,723 thousand).

(2) The secured bank borrowings
borrowings denominated in US dollars amounted to USD4,502 thousand (31 December 2024: USD4,502 thousand), equivalent to RMB32,228 thousand (31 December 2024: RMB32,362 thousand);
borrowings denominated in Euros amounted to EUR4,023 thousand (31 December 2024: EUR4,395 thousand), equivalent to RMB33,807 thousand (31 December 2024: RMB33,072 thousand).

(3) The bank guaranteed borrowings
borrowings denominated in Euros amounted to EUR225,950 thousand (31 December 2024: EUR227,300 thousand), equivalent to RMB1,898,522 thousand (31 December 2024: RMB1,710,592 thousand).

(4) All other bank and other borrowings of the Group were denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2025, the Group's bank deposits amounted to RMB1,901 million (31 December 2024: RMB1,585 million), receivable financing amounted to RMB0 million (31 December 2024: RMB0 million), notes receivable with a carrying amount of RMB0 million (31 December 2024: RMB0 million) and machinery and equipment, houses and buildings, investment real estate, land and right of use assets with a carrying amount of RMB1,508 million (31 December 2024: RMB1,747 million) were secured to banks to obtain bank borrowings or credit facilities. Part of the Group's bank borrowings was secured by the Group's accounts receivable and long-term receivables, with a carrying amount of RMB1,976 million (31 December 2024: RMB2,493 million).

Gearing Ratio

As at 30 June 2025, the gearing ratio of the Group, which represents the ratio of the sum of interest-bearing bank and other borrowings, bonds, lease liabilities and deposits from customers and super short-term financing bills to the sum of total equity of the shareholders plus interest-bearing bank and other borrowings, bonds, lease liabilities and deposits from customers and super short-term financing bills, was 41.76%, representing a decrease of 0.21 percentage point as compared with 41.97% at the beginning of the year.

Contingent Liabilities

Please refer to note 20 to the unaudited interim consolidated financial information for details.

Capital Commitments

Please refer to note 21 to the unaudited interim consolidated financial information for details.

Capital Expenditure

Total capital expenditure of the Group for the Reporting Period was approximately RMB3,194 million (first half year of 2024: RMB2,001 million), which had been applied towards upgrading of production technologies and production equipment.

Potential Risks

Market Risks

Equipment manufacturing industry is highly correlated with national economic growth. Changes in the macroeconomy, amendments to national policies, infrastructure construction investment scale, urbanization progress and cyclical fluctuations in industry development may affect the sustainable development of the Company. Meanwhile, China is accelerating the construction of a national unified electricity market and the planning and development of a new energy system. The energy industry is at the critical point of the new and old systems, market competition in the new energy is intensifying , and the industrial structure is accelerating the green and low-carbon transition, which brings the Company new opportunities and challenges.

In this regard, the Company will actively participate in the national energy transformation strategy of "building new power system with new energy as the main component" to accelerate the green, low-carbon, digitalization, intelligentization transition and improve core competitiveness. The Company will closely monitor changes in market demand and continue to pay attention to and regularly analyze the potential impact of global and domestic macroeconomic trends and industry policies on the Company so as to develop responsive measures in a timely manner. Meanwhile, the Company will promptly adjust management measures to improve its management efficiency and develop its business model in an innovative manner to address all challenges arising from markets changes.

Raw Material Prices Fluctuation Risks

The procurement costs of the Company's principal businesses are affected by the fluctuations in bulk materials price. Meanwhile, due to the long cycle of certain orders undertaken by the Company, sharp fluctuations of raw material prices will have a significant impact on the profitability of the Company.

In this regard, the Company will strengthen the monitoring and management of the quality of economic operation, pay close attention to changes in the operation quality, business structure and profitability of each business segment of the Group, continue to optimize the supply chain management system, further enhance its cost control and pricing capabilities of purchase to actively mitigate risks arising from raw material price fluctuations.

Exchange Rate Fluctuation Risks

The Company's businesses in power plant equipment, power plant engineering and power transmission and distribution engineering involve export business and their contract amounts are large and usually denominated in major foreign currencies, such as US dollars. In the process of production, the Company needs to purchase imported equipment and components, and these contracts are also denominated in foreign currencies. As the international trade situation has become increasingly challenging and the exchange rate of RMB is relatively volatile, the Company's export business may be exposed to the risk of profit and loss fluctuations due to factors such as changes in the exchange rate and capital repatriation.

In this regard, the Company will strengthen studies on the exchange rate movements of the relevant regions, utilize more hedging instruments, improve the hedging mechanism on the fluctuation of the exchange rate, and increase its RMB settlement scope in cross-border trades, lock-in certain exchange rates to reduce exchange risks and exercise better control over the costs of its overseas projects to avoid the adverse effects from exchange rate fluctuations.

Overseas Business Risks

Due to the continuous impact of factors such as macroeconomic environment and geopolitical uncertainties, some of the Company's overseas engineering projects are under various pressures such as higher labor costs and rising raw material costs. The overseas inflation and fluctuation of the foreign exchange rate also exerted negative effects on the profitability of overseas engineering projects. Meanwhile, the international situation is complex and severe. The risks and uncertainties in the overseas business of the Company have increased, and the possibility of risks arising from changes in the political and economic landscape of the locations where the Company operates overseas businesses has increased.

In this regard, the Company will pay close attention to and study the policies and environment of overseas markets, strengthen management and risk control and improve the hedging mechanism on the fluctuation of the exchange rate. The Company will engage in relevant insurance policies for related businesses and employees to maximize the protection over the interests of the Company. Meanwhile, the Company will implement its "localization strategy" in the overseas market, seeking to establish long-term cooperative relationships with the local customers so as to build up good market reputation overseas.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Events

Participation of Shareholder Holding More than 5% of the Shares in Exchange for Securities Investment Fund

Shanghai State-owned Capital Investment Co., Ltd. ("SSCI") cumulatively exchanged 77,899,000 unrestricted tradable A shares of the Company, accounting for 0.50% of the total share capital of the Company, in CSI Shanghai State-owned Exchange Traded Index-based Investment Fund from 24 January 2025 to 7 February 2025 through centralized price bidding. After the transactions, the shareholding percentage of SSCI decreased from 5.04% to 4.54% of the total share capital of the Company.

Entrusted Wealth Management and Connected Transaction

On 28 March 2025, the Board considered and approved the relevant resolution, pursuant to which, the Company would use the temporarily idle funds to invest in the fixed-income trust scheme with R3 and below risks of J-Yuan Trust Co., Ltd, with maximum daily balance of not more than RMB2,000 million (including earnings, which may be utilized on a revolving basis within the limit) from 1 April 2025 to 31 March 2026.

Litigations in Relation to SINOMEC

The Company provided loans totaling RMB1 billion to SINOMEC Engineering Group Co., Ltd. (中國能源工程集團有限公司) ("SINOMEC") in 2019 and 2020, and thereafter SINOMEC repaid the principal amount of RMB1 million and a portion of the interest. Upon loan maturity and subsequent collections efforts, both SINOMEC and the Guarantor have failed to fulfill their contractual obligations as agreed. The Company formally filed a lawsuit with the Shanghai Financial Court(上海金融法院) and requested for order for SINOMEC shall repay the principal amount of the loan together with interest, penalty and compound interest; the Company is entitled to be repaid SINOMEC's debt to the Company on a preferential basis by way of discounting, auction or sale of the relevant equity interest of SINOMEC pledged by Shanghai Zhongyou Guodian Energy Co., Ltd. (上海中油國電能源有限公司) and Shanghai Changtai Electric Co., Ltd. (上海昌泰電氣有限公司); China Pufa Machinery Industry Co., Ltd. (中國浦發機械工業股份有限公司) ("Pufa Machinery") and Zhongji Guoneng Engineering Co., Ltd. (中機國能工程有限公司) shall be jointly and severally liable for the relevant debt of SINOMEC; the defendants shall bear the litigation costs, legal fees and other expenses for realizing the creditor's rights. In September 2024, the Company entered into the Settlement Agreement with Pufa Machinery and its wholly-owned subsidiary Shanghai Pujin Enterprise Development Co., Ltd. (上海浦進企業發展有限公司). In August 2025, the Company pursued claims against other debtors, including SINOMEC and the guarantors, for the remaining debts of the loan to SINOMEC, and has formally filed a lawsuit with the Shanghai Pudong New Area People's Court and the cases have been officially accepted by the court.

Material Arbitrations in Relation to the Sasan Project in India

In June 2008, the Company and Reliance Infra Projects (UK) Limited (the "Reliance UK"), entered into the Equipment Supply and Service Contract (the "Contract") with a contracted amount of USD1,311,000,000, pursuant to which, the Company (as the supplier) shall provide major equipment and relevant services for the project of Sasan 6*660MW Ultra Large Supercritical Coal-fired Power Station in India, Reliance Infrastructure Limited (the "Reliance") issued the letter of guarantee for the payment obligations of Reliance UK under the Contract, and Sasan Power Limited (the "Sasan Power") owned and operated the power station. Since Reliance UK still failed to pay for the equipment purchased and other relevant payables to the Company after the project commenced commercial operation for several years, the Company filed to the Singapore International Arbitration Centre ("SIAC") for arbitration in December 2019, requiring Reliance to pay for equipment purchased and other relevant payables in the amount of at least USD135,320,728.42 to the Company as agreed in the letter of guarantee issued by Reliance for Reliance UK (the "First Arbitration"). In December 2021, the Company received a notice of acceptance for an arbitration brought by Reliance UK against the Company issued by the SIAC, pursuant to which Reliance UK requested the Company to compensate for its losses of approximately USD388.75 million related to the contract. Reliance UK also believed that the letter of performance guarantee was unreasonably released and requested the Company to issue a letter of performance guarantee in the amount of approximately USD120.175 million to guarantee its claims. In December

2022, the Company received the award issued by SIAC for the First Arbitration, which ordered Reliance to pay the Company the sum of USD146,309,239.27. In May 2023, the Company received a notice from the Singapore International Commercial Court ("SICC") that Reliance has filed an application to the SICC seeking to have the award for the First Arbitration by SIAC set aside in its entirety. The application was accepted by the SICC. In January 2024, the Company received a notice from the SICC that the SICC had entered a judgment, rejecting Reliance's application to set aside the award for the First Arbitration in its entirety and also awarding Reliance to pay to the Company the litigation costs related to this case.

Litigations in Relation to SECT

Shanghai Electric Communication Technology Co., Ltd. (上海電氣通訊技術有限公司) ("SECT"), a controlled subsidiary of the Company, filed petitions to the court in 2021, to request Beijing Capital Group Co., Ltd (北京首都創業集團有限公司) ("Capital Company") and Beijing Capital Group Company Limited Trading Branch (北京首都創業集團有限公司貿易分公司) ("Capital Trading") to settle the payment for goods in a total amount of approximately RMB1,193 million and the damages for breach of contract. In July 2022, SECT received the civil ruling issued by Shanghai No. 2 Intermediate People's Court (上海市第二中級人民法院) on the cases of SECT suing Capital Company and Capital Trading. The court held that after review, the facts involved in these cases were related to the contract fraud cases of Capital Company, which were filed and investigated by the Beijing Municipal Public Security Bureau. The court also held that the trial results of these cases must be based on the trial results of the contract fraud cases, and ruled that the cases be stayed.

SECT filed petitions to the court in 2021, to request Harbin Industrial Investment Group Co., Ltd. (哈爾濱工業投資集團有限公司) ("Harbin Industrial Investment") to settle the payment for goods in a total amount of approximately RMB392,973.5 thousand and the damages for breach of contract. In December 2021, SECT received the first – instance judgment regarding the cases of SECT suing Harbin Industrial Investment. In July 2022, SECT received the notice of response and the civil ruling issued

MANAGEMENT DISCUSSION AND ANALYSIS

by Shanghai Higher People's Court (上海市高級人民法院). The court held that after review, the cases should be based on the outcomes of other civil and commercial cases involving Sui Tianli and others and thus the appeal cases of Harbin Industrial Investment were ruled to be stayed by the court.

SECT filed petitions to the court in 2021, to request Fortune Industrial Corp. (富申實業公司) ("Fortune Industrial") to settle the payment for goods in a total amount of approximately RMB787,956.2 thousand and the damages for breach of contract. In November 2021, Fortune Industrial sued SECT for the return of the advance and payments for goods in a total amount of approximately RMB97,741.8 thousand. During the period from May to June 2022, Shanghai Yangpu District People's Court (上海市楊浦區人民法院) ruled that the cases regarding SECT suing Fortune Industrial were stayed. In July 2022, SECT received the civil ruling issued by Shanghai Yangpu District People's Court on the cases of Fortune Industrial suing SECT. The court held that after review, the cases should be based on the outcomes of other cases, which had not been concluded yet, and ruled that the cases are stayed.

SECT filed petitions to the court in 2021, to request Nanjing Changjiang Electronics Group Co., Ltd. (南京長江電子信息產業集團有限公司) ("Nanjing Changjiang") to settle the payment for goods in a total amount of approximately RMB2,089,000.8 thousand and the damages for breach of contract. During the period from May to June 2022, Shanghai Yangpu District People's Court ruled that the cases regarding SECT suing Nanjing Changjiang were stayed.

Jiangsu Zhongli Group Co., Ltd. (江蘇中利集團股份有限公司) ("Jiangsu Zhongli") brought a claim against SECT to request payment for goods, the corresponding interest and attorney's fee for litigation in a total amount of approximately RMB545,075.7 thousand in 2021. In July 2022, SECT received notice of response, civil complaint and civil ruling and other materials from Shanghai Yangpu District People's Court. Jiangsu Zhongli applied for withdrawal of the lawsuits and re-litigated against SECT for payment for goods, the corresponding interest and attorney's fee for litigation in a total amount of approximately RMB544,348 thousand. Shanghai Yangpu District People's Court (上海市楊浦區人民法院), after consideration and review, held that as the cases had to be based on the outcomes of other case, and as the other case had not yet been concluded, the cases met the circumstances for statutory stay of litigation and ruled that the cases were stayed.

During the Reporting Period, there was no material investment held by the Group or future plans for material investments or acquisition of capital assets, and none of each individual investment held by the Group constituted 5% or above of the total assets of the Group as at the end of the Reporting Period.

Save as disclosed in this report, the Company did not make any material acquisition or disposal of subsidiaries, associates or joint ventures during the Reporting Period.

Significant Events After the Reporting Period

Abolition of the Supervisory Committee and Amendments to the Articles of Association

In order to fully implement laws, regulations and regulatory requirements, and further enhance the level of corporate governance, according to the provisions of the Company Law of the People's Republic of China (the "Company Law"), the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidance No.1 of Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation and other relevant laws, regulations and normative documents, combined with the actual situation of the governance reform of the Company, the Company decided to abolish the supervisory committee, with the Audit Committee of the Board exercising the powers and functions of the supervisory committee as stipulated in the Company Law, and to make amendments to the Articles of Association and the Rules of Procedure for Shareholders' General Meeting and the Rules of Procedure for the Board of Directors as annexed hereto. The above proposal was approved at the 2025 first extraordinary general meeting of the Company held on 8 August 2025. The latest version of the Articles of Association of the Company has been published on the websites of the Company and the Stock Exchange of Hong Kong Limited.

Employees

On 30 June 2025, the Group had approximately 42,693 employees (30 June 2024: approximately 40,321). The Company has established and improved a comprehensive system which synchronizes enterprise operating efficiency and the increase of employees' salaries with the improvement in labor productivity, and reasonably determines the level of wage increase of the Company and the wages adjustment of employees of various work positions. As for employee's salary income, while taking into account the internal fairness, the Company adheres to the performance-oriented approach by taking the performance target as the foundation, strengthening the rigid assessment, and deducting the performance salary as required for those who fail to pass the annual assessment, so as to reasonably widen the salary gap. In the event of binding matters including receiving party and government disciplinary punishment for violation of discipline and law, the Company strictly implements salary deductions and recovers salary if necessary. Besides, the Company constantly insists on the general requirement of "Dual Inclination" and implements policies that tilted towards talents who have made outstanding contributions and frontline positions.

During the Reporting Period, the Company did not implement any share incentive scheme, employee stock ownership plan or other employee incentives.

OTHER INFORMATION

Share Capital Structure

30 June 2025	Number of shares	Approximate percentage of issued share capital
A shares	12,655,327,092	81.23%
H shares	2,924,482,000	18.77%
Total	**15,579,809,092**	**100.00%**

Disclosure of Interests

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

The followings are interests and short positions of substantial shareholders as at 30 June 2025 as recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance, Hong Kong ("SFO") and as to the knowledge of the Company:

Name of Substantial Shareholder	Class of shares	Identity	Note	Number of shares	Nature of Interest	Approximate percentage of shareholding in the relevant class of shares (%)	Approximate percentage of shareholding in the total issued share capital of the Company (%)
State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government	A	Interest of controlled corporation	1	7,428,510,136	Long position	58.70	47.68
	H	Interest of controlled corporation	1	313,642,000	Long position	10.72	2.01
Shanghai Electric Holding Group Co., Ltd.	A	Beneficial owner	1	6,400,435,385	Long position	50.58	41.08
	H	Beneficial owner	1	280,708,000	Long position	9.60	1.80
	H	Interest of controlled corporation	1,2	32,934,000	Long position	1.13	0.21
Shanghai State-owned Capital Investment Co., Ltd.	A	Beneficial owner	1	707,399,555	Long position	5.59	4.54
Shenergy (Group) Company Limited	A	Beneficial owner	1	320,675,196	Long position	2.53	2.06

Notes

(1) Shanghai Electric Holding Group Co., Ltd. (上海電氣控股集團有限公司)("SEGC") , Shanghai State-owned Capital Investment Co., Ltd. (上海國有資本投資有限公司) and Shenergy (Group) Company Limited（申能（集團）有限公司） were wholly owned by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government (上海市國有資產監督管理委員會) and accordingly, their interests in the A shares and H shares of the Company were deemed to be the interests of State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government.

(2) SEGC through its wholly-owned subsidiary, Shanghai Electric Group Hongkong Company Limited (上海電氣集團香港有限公司), held H shares of the Company.

Save as disclosed above, the Company is not aware of any other person having any interests or short positions in the shares or underlying shares of the Company as at 30 June 2025 required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2025, none of the directors, supervisors or chief executives of the Company (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")) of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified by the directors, supervisors or chief executives to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules. In addition, no right to acquire the aforementioned interests had been granted to the directors, supervisors or chief executives of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the code provisions set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Hong Kong Listing Rules in relation to dealings in the shares of the Company by the directors and supervisors of the Company, and all directors and supervisors of the Company confirmed that they have complied with the requirements set out in the Model Code during the period from 1 January 2025 to 30 June 2025. The Company is not aware of any breach of the Model Code by any of its employees.

Corporate Governance Functions

During the Reporting Period, the Board of the Company performed the following functions: to formulate and review the Company's policies and practices on corporate governance and make recommendations; to review and monitor the training and continuous professional development of directors and senior management; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the ethics and compliance of employees and directors; and to review the Company's compliance with the code provisions and disclosure in the Corporate Governance Report.

During the Reporting Period, the Board was of the view that the Company complied with the requirements of code provisions set out in Part 2 of Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules, except for the deviation from requirements of code provision F.1.3. Pursuant to code provision F.1.3, the chairman of the board should attend the annual general meeting. As Dr. Wu Lei, the chairman of the Board and the executive director of the Company, was unable to attend the 2024 annual general meeting due to business arrangements, Mr. Zhu Zhaokai, the executive director and the president of the Company, chaired and presided over the 2024 annual general meeting. During the Reporting Period, the roles of the chairman of the Board and the president of the Company were separated and performed by different individuals, and a temporary vacancy was arisen in the position of president due to the resignation of the former executive director and president. The chairman of the Board of the Company was assumed by one person, who was mainly responsible for the strategic decisions of the Company. The president of the Company was assumed by another person, who was fully responsible for the daily operation and execution of the Company. The Company considered that the roles and responsibilities of the Board and the management were clear and there was no concentration of management power.

OTHER INFORMATION

Directors and Senior Management

Changes in Directors and Senior Management of the Company

Name	Position	Change
Zhu Zhaokai	President	Appointed
Wang Chenhao	Employee Director	Elected
Hu Xupeng	Vice president and Secretary to the Board	Appointed
Qiu Jiayou	Vice President	Appointed
Wei Xudong	Chief Financial Officer	Appointed
Zhang Yan	General Counsel	Appointed
Qiao Yinping	Chief Operating Officer	Appointed
Dong Jianhua	Executive Director and Vice President	Resigned
Yang Hong	Vice President	Resigned
Fu Min	Chief Financial Officer and Secretary to the Board	Resigned
Tong Liping	Chief Legal Officer	Resigned

As at the date of this report, the executive directors of the Company are Dr. Wu Lei, Mr. Zhu Zhaokai and Mr. Wang Chenhao; the non-executive directors of the Company are Mr. Shao Jun and Ms. Lu Wen; and the independent non-executive directors of the Company are Dr. Xu Jianxin, Dr. Liu Yunhong and Dr. Du Zhaohui.

During the Reporting Period, Mr. Wang Chenhao ("Mr. Wang") was elected as the employee director of the fifth session of the Board of the Company at the first joint meeting of the third session of the employee representative meeting of the Company. Mr. Wang is currently the director of SEGC, the controlling shareholder of the Company.

On 8 August 2025, the 2025 first extraordinary general meeting of the Company approved the relevant resolution, pursuant to which, the Company has abolished the supervisory committee, with the audit committee of the Board exercising the powers and functions of the supervisory committee as stipulated in the Company Law (effective immediately).

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules.

Review of Interim Results by Audit Committee

The Audit Committee is responsible for the communication, supervision and review of the Company's internal and external audit work and providing professional advice to the Board. The Audit Committee has reviewed and confirmed the Group's interim results and interim financial report for the six months ended 30 June 2025 and has raised no objection to the accounting policies and practices adopted by the Group.

Purchase, Sale or Redemption of the Company's Securities

On 9 April 2025, the Board considered and approved the relevant resolution, pursuant to which, the Company intended to repurchase A shares of the Company on Shanghai Stock Exchange through centralized price bidding for reducing the registered capital of the Company. The repurchase amount was expected to be no less than RMB150 million (inclusive) and no more than RMB300 million (inclusive), the repurchase price should not exceed 150% of the average trading price of the Company's shares for the 30 trading days prior to the date on which the Board considers and approves the resolution in relation to the repurchase, i.e. not exceeding RMB12.29 per share (inclusive). The repurchase plan was approved at the 2024 annual general meeting, 2025 first A Share class meeting and 2025 first H Share class meeting of the Company. By the end of the Reporting Period, the Company held 8,204,300 A shares which had been repurchased but not yet cancelled (with a total payment for repurchase amounted to RMB59,919,353).

As at 13 August 2025, the Company completed the implementation of the repurchase plan. A total of 39,687,456 A shares of the Company were repurchased (with a total payment for repurchase amounted to RMB299,977,709.24), and the cancellation of the above shares was completed on 15 August 2025.

Save as disclosed above, during the Reporting Period, no purchase, sale or redemption of the Company's listed securities (including sale of treasury shares (as defined in the Hong Kong Listing Rules)) has been made by the Company or any of its subsidiaries.

As at the date of this report, the Company does not hold any treasury shares (including any treasury shares held or deposited in the Hong Kong CCASS).

Interim Dividend

The Board did not propose to declare an interim dividend in respect of the Reporting Period.

Disclosure of Information and Investor Relations

The Company recognizes the importance of good communications with its investors. The office of the Board, the department which has duties covering investor relations, has arranged interviews, site visits and roadshows for investors. The department has also actively attended investors' forums to help investors gain a better understanding of the Company's operating results as well as its strategies and plans for future development. The Company will continue to make great efforts in investor relations work to further enhance its transparency.

By order of the Board

Wu Lei

Chairman

Shanghai, the PRC

29 August 2025

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Current assets			
Cash at bank and on hand		**37,872,964**	32,569,013
Clearing settlement funds		**664**	1,134
Placements with banks and other financial institutions		**21,858,563**	26,207,572
Held-for-trading financial assets		**6,941,446**	7,779,560
Derivative financial assets		**29,622**	520
Notes receivable		**2,602,728**	3,169,750
Accounts receivable	14	**37,481,938**	37,547,437
Receivables financing		**1,026,617**	1,091,996
Prepayments		**12,440,846**	11,236,621
Other receivables		**4,415,957**	5,047,036
Financial assets purchased under resale agreements		**1,546,685**	2,905,106
Inventories		**43,486,731**	34,549,775
Contract assets		**21,650,404**	21,275,139
Non-current assets due within one year		**1,360,122**	1,551,044
Other current assets		**18,583,303**	18,857,078
Total current assets		**211,298,590**	203,788,781
Non-current assets			
Loans and advances		**8,095,961**	8,694,998
Debt investments		**152,188**	152,331
Other debt investments		**1,042,853**	368,431
Long-term receivables		**1,850,190**	2,332,623
Long-term equity investments		**14,500,126**	13,816,638
Other non-current financial assets		**6,679,549**	6,435,416
Investment properties		**1,001,345**	1,043,169
Fixed assets	13	**21,624,936**	20,896,633
Constructions in progress		**3,912,559**	3,777,699
Right-of-use assets		**2,443,385**	1,890,038
Intangible assets		**11,264,872**	12,020,517
Research and development expenditures		**58,551**	29,882
Goodwill		**3,106,817**	2,920,760
Long-term deferred expenses		**510,486**	473,404
Deferred tax assets		**8,566,238**	8,690,212
Other non-current assets		**16,791,444**	15,173,456
Total non-current assets		**101,601,500**	98,716,207
TOTAL ASSETS		**312,900,090**	302,504,988

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET (CONT'D)

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Current liabilities			
Short-term borrowings	16	**10,823,718**	9,548,227
Held-for-trading financial liabilities		**29,191**	38,531
Derivative financial liabilities		**1,267**	25,507
Notes payable		**14,119,277**	15,124,080
Accounts payable	15	**66,807,819**	60,569,875
Advances from customers		**599,612**	833,268
Contract liabilities		**64,145,158**	57,928,502
Deposits from customers, banks and other financial institutions		**5,995,466**	7,333,529
Employee benefits payable		**4,150,033**	5,256,409
Taxes payable		**2,086,238**	2,473,766
Other payables		**8,843,872**	9,704,410
Non-current liabilities maturing within one year		**11,514,562**	10,188,235
Other current liabilities		**13,263,068**	11,467,275
Total current liabilities		**202,379,281**	190,491,614
Non-current liabilities			
Long-term borrowings	17	**24,897,302**	27,682,117
Bonds payable	18	**-**	-
Lease liabilities		**1,977,438**	1,463,726
Long-term payables		**691,977**	535,827
Deferred income		**1,185,461**	1,210,875
Long-term employee benefits payable		**188,216**	180,065
Provisions		**2,506,789**	2,832,979
Deferred tax liabilities		**705,238**	714,141
Other non-current liabilities		**53,314**	13,325
Total non-current liabilities		**32,205,735**	34,633,055
Total liabilities		**234,585,016**	225,124,669
Owners' equity			
Share capital	19	**15,579,809**	15,579,809
Capital surplus		**18,609,352**	18,727,393
Less: treasury stock		**59,924**	-
Other comprehensive income		**237,104**	71,417
Special reserve		**142,104**	123,825
Surplus reserve		**5,963,972**	5,963,972
Retained earnings		**13,544,252**	12,723,500
Total equity attributable to equity owners of the Company		**54,016,669**	53,189,916
Minority interests		**24,298,405**	24,190,403
Total owners' equity		**78,315,074**	77,380,319
TOTAL LIABILITIES AND OWNERS' EQUITY		**312,900,090**	302,504,988

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENTS

	Notes	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000 (Restated)
Total revenue		**54,303,335**	49,868,517
Including: Operating revenue	8	**54,007,759**	49,554,334
Interest income	8	**295,015**	313,744
Income from handling charges and commissions	8	**561**	439
Total cost of sales		**(52,136,586)**	(47,848,830)
Including: Operating cost	8	**(43,963,452)**	(40,225,850)
Interest expenses	8	**(43,242)**	(50,131)
Handling charges and commissions expenses	8	**(351)**	(474)
Taxes and surcharges	9	**(360,202)**	(290,171)
Selling and distribution expenses		**(1,481,932)**	(1,361,893)
General and administrative expenses		**(3,436,117)**	(3,391,539)
Research and development expenditures		**(2,545,795)**	(2,327,462)
Financial expenses - net		**(305,495)**	(201,310)
Including: Interest expenses		**(676,205)**	(858,020)
Interest income		**275,260**	641,686
Add: Other income		**465,798**	501,010
Investment income		**1,058,818**	1,111,719
Including: Share of profit of associates and joint ventures		**822,267**	703,843
Loss arising from derecognition of financial assets measured at amortized cost		**(3,181)**	(8,269)
Exchange gain		**4,722**	4,533
Gains/(Losses) on changes in fair value		**25,700**	(319,889)
Losses from credit impairment		**(780,260)**	(394,088)
Losses from asset impairment		**(163,936)**	(407,058)
Gains on disposals of assets		**35,682**	4,897
Operating profit		**2,813,273**	2,520,811
Add: Non-operating income		**41,643**	69,594
Less: Non-operating expenses		**(23,249)**	(24,180)
Total profit		**2,831,667**	2,566,225
Less: Income tax expenses	10	**(784,753)**	(581,584)
Net profit		**2,046,914**	1,984,641

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENTS (CONT'D)

	Notes	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000 (Restated)
Classified by ownership			
Attributable to equity owners of the Company		**820,752**	764,798
Minority interests		**1,226,162**	1,219,843
Other comprehensive income, net of tax		**176,368**	(5,719)
Attributable to shareholders of the parent company		**165,687**	(6,928)
Other comprehensive income that will be subsequently reclassified to profit or loss		**165,687**	(6,928)
Changes in fair value of other debt investments		**(1,658)**	4,295
Provision for credit impairment of receivables financing		**174**	(851)
Cash flow hedges, net of tax		**5,102**	(317)
Exchange differences on translation of foreign operations		**159,928**	(10,055)
Others		**2,141**	-
Attributable to minority shareholders		**10,681**	1,209
Total comprehensive income		**2,223,282**	1,978,922
Attributable to equity owners of the parent company		**986,439**	757,870
Attributable to minority shareholders		**1,236,843**	1,221,052
Earnings per share			
Basic earnings per share (RMB Yuan/share)	11	**0.053**	0.049
Diluted earnings per share (RMB Yuan/share)	11	**0.053**	0.049

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to shareholders of the parent company									
	Share capital RMB'000	Capital surplus RMB'000	Less: Treasury stock RMB'000	Other comprehensive income RMB'000	Special reserve RMB'000	Surplus reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Minority interests RMB'000	Total shareholders' Equity RMB'000
Balance at 31 December 2024	15,579,809	18,727,393	-	71,417	123,825	5,963,972	12,723,500	53,189,916	24,190,403	77,380,319
Movements for the six months ended 30 June 2025										
Total comprehensive income	-	-	-	165,687	-	-	820,752	986,439	1,236,843	2,223,282
Capital contribution and withdrawal by shareholders										
Injection of capital from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	3,000	3,000
Addition of subsidiaries	-	-	-	-	-	-	-	-	32,952	32,952
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(44,214)	(44,214)
Others	-	(118,041)	(59,924)	-	-	-	-	(177,965)	(22,321)	(200,286)
Profit distribution										
Distribution to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(1,099,115)	(1,099,115)
Special reserve										
Appropriation in the current period	-	-	-	-	43,188	-	-	43,188	4,562	47,750
Use in the current period	-	-	-	-	(24,909)	-	-	(24,909)	(3,705)	(28,614)
Balance at 30 June 2025	15,579,809	18,609,352	(59,924)	237,104	142,104	5,963,972	13,544,252	54,016,669	24,298,405	78,315,074

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY(CONT'D)

	Attributable to shareholders of the parent company								
	Share capital RMB'000	Capital surplus RMB'000	Other comprehensive income RMB'000	Special reserve RMB'000	Surplus reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Minority interests RMB'000	Total shareholders' equity RMB'000
Balance at 31 December 2023	15,579,809	19,476,900	21,601	134,056	5,906,524	11,678,998	52,797,888	24,128,752	76,926,640
Business combination involving entities under common control	-	2,356,781	-	-	500	570,558	2,927,839	-	2,927,839
Balance at 1 January 2024	15,579,809	21,833,681	21,601	134,056	5,907,024	12,249,556	55,725,727	24,128,752	79,854,479
Movements for the six months ended 30 June 2024									
Total comprehensive income	-	-	(6,928)	-	-	764,798	757,870	1,221,052	1,978,922
Capital contribution and withdrawal by shareholders									
Injection of capital from minority shareholders of subsidiaries	-	-	-	-	-	-	-	11,520	11,520
Addition of subsidiaries	-	-	-	-	-	-	-	40,000	40,000
Disposal of subsidiaries	-	-	-	-	-	-	-	(24,306)	(24,306)
Profit distribution									
Distribution to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(1,155,005)	(1,155,005)
Appropriation to staff and workers' bonus and welfare fund	-	-	-	-	-	(137)	(137)	(280)	(417)
Special reserve									
Increase in the current year	-	-	-	79,746	-	-	79,746	9,575	89,321
Use in the current year	-	-	-	(71,791)	-	-	(71,791)	(6,089)	(77,880)
Balance at 30 June 2024	15,579,809	21,833,681	14,673	142,011	5,907,024	13,014,217	56,491,415	24,225,219	80,716,634

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000 (Restated)
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	**61,536,062**	61,191,591
Refund of taxes and surcharges	**337,320**	280,840
Cash received relating to other operating activities	**3,783,331**	1,986,766
Sub-total of cash inflows	**65,656,713**	63,459,197
Cash paid for goods and services	**(48,882,749)**	(45,489,850)
Cash paid to and on behalf of employees	**(7,467,514)**	(7,053,847)
Payments of taxes and surcharges	**(2,960,785)**	(2,496,347)
Cash paid relating to other operating activities	**(4,777,510)**	(8,659,892)
Sub-total of cash outflows	**(64,088,558)**	(63,699,936)
Net cash flows from operating activities	**1,568,155**	(240,739)
Cash flows from investing activities		
Cash received from disposal of investments	**4,092,405**	6,118,020
Cash received from returns on investments	**715,529**	873,620
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**204,232**	129,796
Net cash received from disposal of subsidiaries	**560,028**	-
Cash received relating to other investing activities	**16,793**	203,023
Sub-total of cash inflows	**5,588,987**	7,324,459
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**(1,469,431)**	(1,491,925)
Cash paid to acquire investments	**(3,232,101)**	(1,385,035)
Net cash repayments from acquisition of subsidiaries	**(1,441,000)**	-
Net cash repayments from disposal of subsidiaries	**-**	(9,940)
Cash paid relating to other investing activities	**(4,785,809)**	(352,645)
Sub-total of cash outflows	**(10,928,341)**	(3,239,545)
Net cash flows from investing activities	**(5,339,354)**	4,084,914
Cash flows from financing activities		
Cash received from capital contributions	**3,000**	51,520
Including: Cash received by subsidiaries from capital contributions by minority shareholders	**3,000**	51,520
Cash received from borrowings	**12,457,813**	11,265,884
Cash received from debentures	**1,199,678**	1,500,000
Cash received relating to other financing activities	**159,100**	-
Sub-total of cash inflows	**13,819,591**	12,817,404
Cash repayments of borrowings	**(11,919,586)**	(10,582,021)
Cash payments for distribution of dividends, profits or interest expenses	**(1,475,386)**	(1,453,101)
Including: Cash payments for dividends or profits to minority shareholders by subsidiaries	**(604,120)**	(612,246)
Cash paid for acquisition of minority interests	**(25,528)**	-
Cash paid relating to other financing activities	**(432,820)**	(255,236)
Sub-total of cash outflows	**(13,853,320)**	(12,290,358)
Net cash flows from financing activities	**(33,729)**	527,046
Effect of foreign exchange rate changes on cash and cash equivalents	**19,471**	14,031
Net (decrease)/increase in cash and cash equivalents	**(3,785,457)**	4,385,252
Add: Cash and cash equivalents at the beginning of the period	**36,176,519**	38,361,197
Cash and cash equivalents at the end of the period	**32,391,062**	42,746,449

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. COMPANY INFORMATION

Shanghai Electric Group Company Limited (the "Company") is a joint stock limited liability company established in the People's Republic of China (the "PRC") on 1 March 2004. The registered office of the Company is located on No. 16, Lane 1100, Huashan Road, Changning District, Shanghai, the PRC.

During the year, the Company and its subsidiaries (together the "Group") are engaged in the following principal activities:

(a) the energy equipment segment: design, manufacture and sale of nuclear power equipment, energy storage equipment, coal-fired power generation and ancillary equipment, gas-fired power generation equipment, wind power equipment, hydrogen energy equipment, photovoltaic equipment, high-end chemical equipment; provision of grid and industrial intelligent power supply system solutions;

(b) the industrial equipment segment: design, manufacture and sale of elevators, large and medium-sized electric motors, intelligent manufacturing equipment, industrial basic parts and construction industrialization equipment;

(c) the integrated services segment: provision of energy, environmental protection and automation engineering and services, covering traditional and new energy, comprehensive use of solid wastes, sewage treatment, flue gas treatment, rail transit and etc.; providing industrial internet services; providing financial services, covering financing leases, factoring, asset management, insurance brokerage and etc.; providing park and property management services mainly based on industrial real estate, etc.

In the opinion of the directors of the Company, the parent and the ultimate holding company of the Group is Shanghai Electric Holding Group Co., Ltd ("SEGC"), a state-owned enterprise established in the PRC.

The Company has its ordinary shares listed on both the Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements were prepared in accordance with the Accounting Standard for Business Enterprises - Basic Standard, and the specific accounting standards and other relevant regulations (hereafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CAS") issued by the Ministry of Finance on 15 February 2006 and in subsequent periods and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 - General Rules on Financial Reporting issued by the CSRC.

The financial statements are prepared on a going concern basis.

The new Hong Kong Companies Ordinance came into effect on 3 March 2014. Certain related matters in the financial statements have been disclosed in accordance with the requirements of the Hong Kong Companies Ordinance.

3. STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements of the Company for the six months ended 30 June 2025 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely presented the consolidated financial position of the Company as at 30 June 2025 and their financial performance, cash flows and other information for the six months ended 30 June 2025.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. ESTIMATES

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the relevant circumstances.

(a) Critical judgements in applying the accounting policies

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

Consolidation scope

Shanghai Mechanical& Electrical Industry Co., Ltd. ("SMEI") is an A-share listed company listing on SSE. The Group is the single largest shareholder of SMEI with 48.81% of shares. The remaining shares in SMEI are widely held by many other shareholders, none of whose shares exceed 5% (since the date when SMEI is consolidated by the Group). Meanwhile, since the date of consolidation, there has been no history of other shareholders exercise their votes collectively or to outvote the Group. Therefore, although the Group holds less than half of the voting rights in SMEI, the Group has substantial control over SMEI and includes it in the consolidation scope.

The Group holds 50% of the equity of Shanghai Electric Transmission and Distribution Group Co., Ltd. and 1% of its potential share warrant and can dominate the control of its significant financial and operating policy decisions. Therefore, the Group has substantial control over it and includes it in the consolidation scope as a subsidiary.

The Group holds 28.41% of the shares of Shenzhen Yinghe Technology Co., Ltd. ("Yinghe Technology"), a company listed on the Shenzhen Stock Exchange, being the largest shareholder of the company. Wang Weidong, the second largest shareholder of Yinghe Technology, and Xu Xiaoju, the fifth largest shareholder of Yinghe Technology, relinquished their voting rights of a total of 19.01% of Yinghe Technology's shares. Therefore, the Group holds 35.08% of the voting rights of Yinghe Technology. In addition to the above shareholders, the remaining shares are widely held by many other shareholders. Therefore, although the Group holds less than half of the voting rights in Yinghe Technology, the Group has substantial control over Yinghe Technology and includes it in the consolidation scope.

4. ESTIMATES (CONT'D)

(a) Critical judgements in applying the accounting policies (Cont'd)

Measurement of ECL

The Group calculates ECL based on the exposure at default and the ECL rates. The determination of the ECL rates is based on the probability of default and the loss given default or the ageing matrix. In determining the ECL rates, the Group uses data such as internal historical credit loss experience, and adjusts the historical data based on current conditions and forward-looking information.

When considering forward-looking information, the Group takes different macroeconomic scenarios into consideration. For the six months ended 30 June 2025, the economic scenario weights of "benchmark", "unfavourable" and "favourable" accounted for 60%, 30% and 10% (for the six months ended 30 June 2024: 60%, 30% and 10%) respectively. The Group regularly monitors and reviews important macroeconomic assumptions and parameters for calculating ECLs, including the risk of economic downturn, external market environment, technological environment, changes in customer profile, gross domestic product, production price index, industrial added value, broad money supply and completed investments in fixed assets.

Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business model and analysis on contractual cash flow characteristics.

The Group determines the business model for financial asset management on the grouping basis, and factors to be considered include the methods for evaluating financial asset performance and reporting the financial asset performance to key management personnel, the risks affecting financial asset performance and corresponding management methods, the ways in which related business management personnel are remunerated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic loan arrangement, key judgements made by the Group include: the possibility of changes in time schedule or amount of the principal during the lifetime due to reasons such as repayment in advance; whether interest only includes time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the amount of prepayment only reflects the principal outstanding and the interest based on the principal outstanding, as well as the reasonable compensation due to the early termination of the contract.

Determination of significant increase in credit risk and credit-impaired

When the Group classifies financial instruments into different stages, its criteria for significant increase in credit risk and credit-impaired are as follows:

The Group determines the significant increase in credit risk mainly based on the criteria such as any significant changes in one or more of the followings: the deteriorations in the business environment, internal and external credit rating, actual or expected operating results of the debtor and the significant decline in the value of collaterals or credit rating of guarantor which affects the probability of default.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. ESTIMATES (CONT'D)

The Group determines the occurrence of credit impaired mainly based on the criteria such as whether one or more of the following conditions exist: the debtor is suffering from significant financial difficulties, the debtor is undergoing a debt restructuring, or it is probable that the debtor will be bankrupted, etc

(b) Critical accounting estimates and assumptions

The key assumptions concerning the future and key factors of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting periods, are detailed below.

Revenue recognition of construction services

The Group recognises the revenue for a contract over a period using the percentage of completion method when the results of construction service can be estimated reliably.

Significant estimation and judgement are required in determining the percentage of completion, the contract performance costs incurred, the estimated total contract cost and the recoverability of the contract costs. Management mainly makes judgement based on past experience. Changes in the estimations of total contract revenue and costs and the outcome of contract performance may have significant impact on the revenue, cost of sales and the profit or loss for the current or subsequent periods.

Impairment of inventories to net realisable value

Impairment of inventories to net realisable value is based on the assessment of the possibility to sell in the future and the net realisable value of inventories. Identification of impairment of inventories requires judgements and estimates from management on the basis of obtaining conclusive evidence and considering the purpose for holding inventories and impact of events after the balance sheet date. Difference between the actual results and original estimates will have an impact on the carrying amount of inventories and accrual or reversal of provision for decline in the value of inventories for the period in which the estimates are changed.

Recognition of provisions

The Group estimates and makes provision for product warranties, estimated contract losses, penalty for delayed delivery, litigation compensation, financial guarantee contracts, etc. based on contract terms, available information and past experience. When such contingency forms a present obligation and it is probable that an outflow of economic benefits may incur if the obligation is fulfilled, the obligation is measures at best estimate.

Enterprise income tax

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. ESTIMATES (CONT'D)

(b) Critical accounting estimates and assumptions(Cont'd)

Deferred tax assets

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled. When it is possible that taxable profit will be available to offset deductible losses, deferred tax assets are recognised with all un-utilised deductible losses. It requires management to exercise significant judgement to estimate the time and amount of future taxable profit, in combination of tax planning strategy, so as to determine the amount of deferred tax assets.

Some subsidiaries of the Group are high-tech enterprises. The "High-Tech Enterprise Certificate" is effective for three years. Upon expiration, application for high-tech enterprise should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and the actual condition of the subsidiaries, management considers that the subsidiaries are able to obtain the qualification for high-tech enterprises in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If some subsidiaries cannot obtain the qualification for high-tech enterprise upon expiration, then the subsidiaries are subject to a statutory tax rate of 25% for the calculation of the deferred income tax, which increases the recognised net deferred tax assets and decreases the deferred tax expenses.

Estimated useful lives of fixed assets

Estimated useful lives of fixed assets are reviewed by the Group at least at each year-end. Estimated useful lives of the assets are determined by management based on past experience of similar assets and the expected technical renovation. If significant changes occurred in the previous estimates, adjustment on depreciation expenses is carried out in the future period.

Impairment of non-current assets other than financial assets (except for goodwill)

The Group judges whether there exists impairment of non-current assets other than financial assets as at balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually. Non-current assets other than financial assets are subject to impairment tests when there is indication of impairment. An asset or asset group is impaired if the carrying amount exceeds their recoverable amounts, which is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The fair value less costs to sell could be determined with reference to sales agreement price or observable market price of similar products in arm's length transaction less directly attributable incremental costs in assets disposal. management should estimate the expected future cash flows of an asset or asset group, and determine an appropriate discount rate for the calculation of the present value of future cash flows.

Impairment of goodwill

The Group tests whether goodwill has suffered any impairment at least on an annual basis. The recoverable amount of asset groups or groups of asset groups that include goodwill is the higher of their fair value less costs to sell and the present value of the future cash flows expected to be derived from them. These calculations require use of accounting estimates.

In determining the net amount of the fair value of asset groups less costs to sell, the Group adopted the market approach to estimate the fair value of asset groups based on the share price of the listed company or the ratio of the enterprise value divided by EBITDA after necessary adjustments. The key assumptions involved were mainly the share price of the listed company, ratio of enterprise value of listed company divided by EBITDA, control premium and discount for lack of liquidity.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. ESTIMATES (CONT'D)

(b) Critical accounting estimates and assumptions(Cont'd)

If management revises the gross profit margin forecast period growth rate and stable period growth rate used in the calculation of future cash flows of an asset group or combination of asset groups, and the revised gross profit margin, forecast period growth rate and stable period growth rate are lower than / higher than the currently adopted gross profit margin, forecast period growth rate, and stable period growth rate, the Group needs to make provision for impairment of godwill increase/decrease.

If the management revises the pre-tax discount rate applied to cash flow discounting within a reasonable and probable range, and the revised pre-tax discount rate is higher/lower than the currently applied rate, the Group will need to increase/reduce the provision for impairment of goodwill related to its subsidiaries.

If the actual growth rate and gross profit margin are higher or the pre-tax discount rate is lower than management's estimates, the impairment loss of goodwill as previously recognised is not allowed to be reversed by the Group.

Evaluation of fair value

The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. Valuation techniques include using prices of recent market transactions between knowledgeable and willing parties, reference to the current fair value of another financial asset that is substantially the same with this instrument, and discounted cash flow analysis, etc. When a valuation technique is used to determine the fair value of a financial instrument, management uses observable market inputs as opposed to entity-specific inputs to the maximum extent possible. The setting of the input involves certain judgements. If there is any discrepancy between the inputs and the actual results, material adjustments will be made to the fair value of the financial instruments.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the with the Group's annual financial statements as at 31 December 2024.

There have been no changes in the risk management department since year end.

5.2 LIQUIDITY RISK

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 FAIR VALUE ESTIMATION

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

5.3 FAIR VALUE ESTIMATION (CONT'D)

(1) Assets measured at fair value on a recurring basis

As at 30 June 2025, the assets measured at fair value on a recurring basis by the above three levels are analysed below:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets held for trading -				
Investments in funds held for trading	5,411,299	-	-	5,411,299
Investments in equity instrument held for trading	32,467	-	-	32,467
Investments in debenture held for trading	694,722	-	-	694,722
Wealth management products	-	455,428	-	455,428
Non-hedging derivative financial assets	-	347,530	-	347,530
Derivative financial assets -	-	29,622	-	29,622
Receivables financing -				
Notes receivable at fair value through other comprehensive income	-	-	950,340	950,340
Accounts receivable at fair value through other comprehensive income	-	-	76,277	76,277
Other current assets-				
Interbank deposits	-	3,226,872	-	3,226,872
Other short-term debt investments	-	-	327,951	327,951
Other non-current financial assets	744,769	886,198	5,048,582	6,679,549
Other debt investments	1,042,853	-	-	1,042,853
Total assets	7,926,110	4,945,650	6,403,150	19,274,910

As at 30 June 2025, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial liabilities				
Derivative financial liabilities	-	1,267	-	1,267
Financial liabilities held for trading	-	29,191	-	29,191
	-	30,458	-	30,458

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

5.3 FAIR VALUE ESTIMATION (CONT'D)

(1) Assets measured at fair value on a recurring basis (Cont'd)

As at 31 December 2024, the assets measured at fair value on a recurring basis by the above three levels are analysed below:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets held for trading -				
Investments in funds held for trading	6,308,325	-	-	6,308,325
Investments in equity instrument held for trading	20,754	-	-	20,754
Investments in debenture held for trading	826,182	-	-	826,182
Wealth management products	-	271,434	-	271,434
Non-hedging derivative financial assets	-	352,865	-	352,865
Derivative financial assets -		520		520
Receivables financing -				
Notes receivable at fair value through other comprehensive income	-	-	1,034,747	1,034,747
Accounts receivable at fair value through other comprehensive income	-	-	57,249	57,249
Other current assets -				
Interbank deposits	-	3,649,157	-	3,649,157
Other short-term debt investments	-	-	329,401	329,401
Other non-current financial assets	795,582	601,174	5,038,660	6,435,416
Other debt investments	368,431	-	-	368,431
Total assets	8,319,274	4,875,150	6,460,057	19,654,481

As at 31 December 2024, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial liabilities				
Derivative financial liabilities	-	25,507	-	25,507
Financial liabilities held for trading	-	38,531	-	38,531
	-	64,038	-	64,038

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. SEGMENT INFORMATION

Operating segment

The Group organises and manages its operating business in accordance with the nature of business and provision of goods and services. Each business segment of the Group is one operating group, providing goods and services with risks and rewards different from those of the other business segments.

The details of operating segments are as follows:

(a) the energy equipment segment: design, manufacture and sale of nuclear power equipment, energy storage equipment, coal-fired power generation and ancillary equipment, gas-fired power generation equipment, wind power equipment, hydrogen energy equipment, photovoltaic equipment, high-end chemical equipment; provision of grid and industrial intelligent power supply system solutions;

(b) the industrial equipment segment: design, manufacture and sales of elevators, large and medium-sized electric motors, intelligent manufacturing equipment, industrial basic parts and construction industrialization equipment;

(c) the integrated services segment: providing energy, environmental protection and automation engineering and services, covering traditional and new energy, comprehensive use of solid wastes, sewage treatment, flue gas treatment, rail transit and etc.; industrial internet services; financial services, covering financing leases and insurance brokerage; property management services mainly based on industrial real estate and etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, earnings from fair value changes in financial instruments and headquarters expenses.

Segment assets do not include trading financial assets, derivatives, dividends receivable, interest receivable, long-term equity investment, debt investment, other debt investment, other equity instrument investment, other non current financial assets, goodwill, deferred income tax assets and other undistributed headquarters assets, which are under the unified management of the Group.

Segment liabilities do not include trading financial liabilities, derivatives, dividends payable, interest payable, borrowings, income tax payable, deferred income tax liabilities and other undistributed headquarters liabilities, which are under the unified management of the Group.

The transfer pricing between segments shall be determined by reference to the price adopted by the exchange to the third party.

6. SEGMENT INFORMATION (CONT'D)

(a) Segment information as at and for the six months ended 30 June 2025 was as follows(Unaudited):

	Energy equipment RMB'000	Industrial equipment RMB'000	Integration services RMB'000	Others RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Segment revenue							
Including:Revenue from external customers	29,105,813	17,968,807	7,208,778	17,954	1,983	-	54,303,335
Inter-segment revenue	1,010,507	629,396	1,051,653	24,021	36,976	(2,752,553)	-
	30,116,320	18,598,203	8,260,431	41,975	38,959	(2,752,553)	54,303,335
Cost of sales	24,297,194	15,518,329	7,016,363	25,001	64	(2,849,906)	44,007,045
Losses from credit impairment	243,692	163,814	530,515	(315)	21,254	(178,700)	780,260
Losses from asset impairment	193,558	(17,103)	(7,674)	(6)	-	(4,839)	163,936
Depreciation and amortization	756,965	402,009	394,151	4,830	86,503	-	1,644,458
Finance costs – net	-	-	-	-	305,495	-	305,495
Share of profits and losses of joint ventures and associates	-	-	-	-	822,267	-	822,267
Operating profit/(loss)	1,607,085	620,397	248,368	(136,016)	501,451	(28,012)	2,813,273
Other gains and losses							18,394
Profit before tax							2,831,667
Assets and liabilities							
Total assets	173,281,924	59,474,604	138,544,844	974,955	13,847,087	(73,223,324)	312,900,090
Total liabilities	128,495,884	45,294,617	106,651,966	215,902	4,741,235	(50,814,588)	234,585,016
Non-cash expenses other than depreciation and amortisation	547,754	65,771	155,312	-	-	-	768,837
Increase in non-current assets	2,097,809	409,948	657,404	6,444	22,682	-	3,194,287

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. SEGMENT INFORMATION (CONT'D)

(b) Segment information as at and for the six months ended 30 June 2024 was as follows(Unaudited) (Restated):

	Energy equipment RMB'000	Industrial equipment RMB'000	Integration services RMB'000	Others RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Segment revenue							
Including:Revenue from external customers	24,181,348	18,352,424	7,315,537	18,375	833	-	49,868,517
Inter-segment revenue	472,358	606,562	645,566	26,124	-	(1,750,610)	-
	24,653,706	18,958,986	7,961,103	44,499	833	(1,750,610)	49,868,517
Cost of sales	19,688,906	15,664,546	6,636,698	29,620	164	(1,743,479)	40,276,455
Losses from credit impairment	318,340	166,036	(117,280)	(211)	25,930	1,273	394,088
Losses from asset impairment	280,397	21,701	8,403	-	82,000	14,557	407,058
Depreciation and amortization	591,639	419,892	382,573	10,994	112,022	-	1,517,120
Finance costs – net	-	-	-	-	201,310	-	201,310
Share of profits and losses of joint ventures and associates	-	-	-	-	703,843	-	703,843
Operating profit/(loss)	1,137,257	706,351	693,000	(99,836)	131,780	(47,741)	2,520,811
Other gains and losses							45,414
Profit before tax							2,566,225
Assets and liabilities							
Total assets	142,182,238	66,146,273	103,538,680	1,129,975	14,321,024	(41,961,545)	285,356,645
Total liabilities	99,773,984	43,737,027	98,476,350	386,239	10,185,170	(47,889,213)	204,669,557
Non-cash expenses other than depreciation and amortisation	192,124	156,469	74,933	-	-	-	423,526
Increase in non-current assets	622,964	361,914	996,130	17,555	2,199	-	2,000,762

6. SEGMENT INFORMATION (CONT'D)

(c) Revenue from external customers

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Mainland China	45,606,847	42,082,058
Other countries and geographical areas	8,696,488	7,786,459
	54,303,335	49,868,517

Revenue from external customers is attributed to the region where corresponding customers from.

(d) Total non-current assets

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Mainland China	65,220,210	68,575,613
Other countries and geographical areas	9,828,670	3,466,582
	75,048,880	72,042,195

Non-current assets, excluding financial assets and deferred tax assets, are attributed to the region where the assets are located in.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

7. CHANGES OF CONSOLIDATION SCOPE

(1) Addition of subsidiary

For the six months ended 30 June 2025, subsidiaries newly incorporated or acquired and thus included in the consolidation scope are as follows:

Subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%) Direct	Shareholding (%) Indirect	Registered capital
Shanghai Blower Works Qidong Co., Ltd.	Jiangsu	Jiangsu	Blower manufacturing	-	67	RMB 97,000,000
Shanghai Electric Group Electric Drive Technology (Zhejiang) Co., Ltd.	Zhejiang	Zhejiang	Electrical machinery and equipment manufacturing	-	100	RMB 50,000,000
Shanghai Electric Group Shangdian Electric Motor (Gansu) Co., Ltd.	Gansu	Gansu	Electric motor manufacturing	-	100	RMB 10,000,000
Shanghai Electric Bangladesh Limited	Bangladesh	Bangladesh	Electricity and heat production and supply	-	100	USD 1,000,000
Xinjiang Hengxu Photovoltaic Technology Co., Ltd.	Xinjiang	Xinjiang	Other technology promotion services	-	100	RMB 1,000,000
Shanghai Electric Group Hengxi Photovoltaic Technology (Weihai) Co., Ltd.	Shandong	Shandong	Manufacturing of photovoltaic equipment and components	-	100	RMB 22,750,000
Shanghai Electric Xinjiang New Energy Co., Ltd.	Xinjiang	Xinjiang	Other technology promotion services	-	100	RMB 10,000,000
Shangdian Tori County New Energy Co., Ltd.	Xinjiang	Xinjiang	Other technology promotion services	-	100	RMB 5,000,000
Shangdian (Karamay) New Energy Co., Ltd.	Xinjiang	Xinjiang	Other technology promotion services	-	100	RMB 5,000,000
Shanghai Electric Wind Power Group (Guizhou) Co., Ltd.	Guizhou	Guizhou	Electricity and heat production and supply	-	100	RMB 10,000,000
Shangdian (Beihai) New Energy Equipment Co., Ltd.	Guangxi	Guangxi	Manufacturing of specialized equipment for oil drilling and extraction	-	100	RMB 10,000,000
Shanghai Electric (Tancheng) New Energy Equipment Co., Ltd.	Shandong	Shandong	Manufacturing of wind energy prime mover equipment	-	100	RMB 5,000,000
Shangdian (Xiuyan) New Energy Co., Ltd.	Liaoning	Liaoning	Scientific research and technology services	-	100	RMB 2,000,000
Arong Banner Xinghe New Energy Co., Ltd.	Inner Mongolia	Inner Mongolia	Electricity and heat production and supply	-	80	RMB 1,000,000
Shangdian Zhiyu (Yulin) New Energy Equipment Co., Ltd.	Shaanxi	Shaanxi	Electricity and heat production and supply	-	100	RMB 10,000,000
Shanghai Electric Wind Power Group (Xuzhou) Wind Power Equipment Co., Ltd.	Jiangsu	Jiangsu	Electricity and heat production and supply	-	100	RMB 10,000,000
Huaning Zhiheng New Energy Co., Ltd.	Yunnan	Yunnan	Electricity and heat production and supply	-	100	RMB 1,000,000
Shangdian (Hongsibao District, Wuzhong City) New Energy Equipment Co., Ltd.	Ningxia	Ningxia	General equipment manufacturing	-	100	RMB 10,000,000
Shanghai Electric Wind Power Group Qidong Wind Power Equipment Co., Ltd.	Jiangsu	Jiangsu	Electricity and heat production and supply	-	100	RMB 5,000,000
Shanghai Dixi New Energy Co., Ltd.	Shanghai	Shanghai	Electricity supply	-	100	RMB 1,000,000
Shanghai Lintuan New Energy Technology Co., Ltd	Shanghai	Shanghai	Electricity supply	-	100	RMB 2,000,000
SKE Global Ventures Limited	Hongkong	Hongkong	Manufacturing of electronic components and electromechanical assembly equipment	-	100	HKD 1,000,000
Yinghe Smart Korea Co., Ltd.	Korea	Korea	Manufacturing of electronic components and electromechanical assembly equipment	-	100	KRW 100,000,000

7. CHANGES OF CONSOLIDATION SCOPE (CONT'D)

(2) Disposal of subsidiary

For the six months ended 30 June 2025, subsidiaries newly disposed and thus included in the consolidation scope are as follows:

Name of Subsidiary	Price of disposal RMB'000	Ratio of disposal	Method of disposal	Point of loss of control	Basis of judgment of point of loss of control	The difference between the disposal price and the disposal investment's net asset in the consolidated financial statement RMB'000	The amount of other comprehensive income related to the equity investment transferred to profit and loss RMB'000
Shanghai Electric (Huaibei) Water Development Co., Ltd	397,890	90%	Equity transfer	June 2025	Completion of equity transfer	(35)	-
Shanghai Electric Private Equity Fund Management Co., Ltd.	10,020	100%	Equity transfer	June 2025	Completion of equity transfer	-	-
Shanghai Electric Group (Suning) Environmental Protection Technology Co., Ltd.	157,000	100%	Equity transfer	June 2025	Completion of equity transfer	34,189	-
Shanghai Electric Environmental Protection Group Australia Subsidiary Company	-	100%	Cancellation	January 2025	Completion of business cancellation registration	-	-
Inner Mongolia Liheng New Energy Co., Ltd.	-	100%	Cancellation	May 2025	Completion of business cancellation registration	-	-
Sanjiang Zhiheng New Energy Co., Ltd.	-	100%	Cancellation	May 2025	Completion of business cancellation registration	-	-
Kunlun Banner Shangshun New Energy Co., Ltd.	-	100%	Cancellation	May 2025	Completion of business cancellation registration	-	-

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. REVENUE AND COST OF SALES

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Revenue from main operations	51,581,756	46,593,502
Revenue from other operations	2,426,003	2,960,832
Interest income	295,015	313,744
Income from handling charges and commissions	561	439
	54,303,335	49,868,517

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Cost of sales from main operations	42,645,324	38,727,456
Cost of sales from other operations	1,318,128	1,498,394
Interest expenses	43,242	50,131
Handling charges and commissions	351	474
	44,007,045	40,276,455

Details of revenue from main operations are as follows:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Sales of goods	44,029,087	37,953,744
Engineering construction	2,462,233	3,267,889
Rendering of services	5,090,436	5,371,869
	51,581,756	46,593,502

Revenue from main operations includes sales revenue from energy equipment, industrial equipment and integrated services. Cost of sales refers to those of products related to main operations. The Group's segment information has been presented in Note 6.

Details of revenue from other operations are as follows:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Sales of goods and materials	1,608,493	2,365,946
Leasing income	294,760	196,023
Finance lease income	39,311	37,317
Non-industrial labor services	130,775	7,937
Others	352,664	353,609
	2,426,003	2,960,832

8. REVENUE AND COST OF SALES (CONT'D)

For the six months ended 30 June 2025 (Unaudited)

	Sales of goods			Construction services					
	China RMB'000	Other Asian countries/ geographical areas RMB'000	Other regions RMB'000	China RMB'000	Other Asian countries/ geographical areas RMB'000	Other regions RMB'000	Rendering of services RMB'000	Others RMB'000	Total RMB'000
Revenue from main operations	37,310,217	1,184,391	5,534,479	745,522	1,372,384	344,327	5,090,436	-	51,581,756
Including: Recognised at a point in time	37,310,217	1,184,391	5,534,479	-	-	-	752,057	-	44,781,144
Recognised over a period of time	-	-	-	745,522	1,372,384	344,327	4,338,379	-	6,800,612
Revenue from other operations	1,562,841	14,138	31,514	-	-	-	130,775	686,735	2,426,003
	38,873,058	1,198,529	5,565,993	745,522	1,372,384	344,327	5,221,211	686,735	54,007,759

For the six months ended 30 June 2024 (Unaudited)

	Sales of goods			Construction services					
	China RMB'000	Other Asian countries/ geographical areas RMB'000	Other regions RMB'000	China RMB'000	Other Asian countries/ geographical areas RMB'000	Other regions RMB'000	Rendering of services RMB'000	Others RMB'000	Total RMB'000
Revenue from main operations	33,278,328	556,205	4,119,211	1,786,045	1,151,699	330,145	5,371,869	-	46,593,502
Including: Recognised at a point in time	33,278,328	556,205	4,119,211	-	-	-	40,261	-	37,994,005
Recognised over a period of time	-	-	-	1,786,045	1,151,699	330,145	5,331,608	-	8,599,497
Revenue from other operations	736,747	28,632	1,600,567	-	-	-	7,937	586,949	2,960,832
	34,015,075	584,837	5,719,778	1,786,045	1,151,699	330,145	5,379,806	586,949	49,554,334

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. TAXES AND SURCHARGES

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
City maintenance and construction tax	102,647	70,064
Property tax	77,365	70,940
Educational surcharge	74,249	47,235
Stamp tax	58,945	49,632
Urban land utilization taxes	19,195	17,974
Others	27,801	34,326
	360,202	290,171

10. TAXATION

(a) The Group's first-tier subsidiaries listed below were awarded the "High-tech Enterprise Certificate" with a valid period of three years by the Science and Technology Commission of Municipality, the Municipal Finance Bureau, the State Administration of Tax Municipal Office and the Municipal Bureau of Local Taxation, and are subject to enterprise income tax at the rate of 15% for the current period.

	Applicable period for high-tech enterprises preferential tax rate of 15%	
Name of the first-tier subsidiaries	**Starting year**	**Ending year**
ZTC Technology (Suzhou) Co., Ltd.	**2024**	2026
Shanghai Electric Nuclear Power Equipment Co., Ltd.	**2024**	2026
Shanghai Electric SHMP Casting & Forging Co., Ltd.	**2024**	2026
Shanghai Electric - SPX Engineering & Technologies Co., Ltd.	**2024**	2026
Shanghai Denso Fuel Injection Co., Ltd.	**2024**	2026
Shanghai Electric Fuji Electric Power Technology Co., Ltd.	**2024**	2026
Shanghai Electric SHMP Pulverising & Special Equipment Co., Ltd.	**2024**	2026
Shanghai KSB Pump Co., Ltd.	**2024**	2026
Shanghai Power Station Auxiliary Machinery Factory Co., Ltd.	**2024**	2026
Shanghai Electric Wind Power Group Co., Ltd.	**2023**	2025
Shanghai Electric Group Shanghai Electric Machinery Co., Ltd.	**2023**	2025
Shanghai Boiler Works Co., Ltd.	**2023**	2025
Shanghai Electric Gas Turbine Co., Ltd.	**2023**	2025
Shanghai No.1 Machine Tool Works Co., Ltd.	**2023**	2025
Qingdao Huachen Weiye Power Technology Engineering Co, Ltd.	**2023**	2025
Shanghai Centrifuge Institute Co., Ltd.	**2023**	2025
Shanghai Electric Group Digital Technologies Co., Ltd.	**2023**	2025
Shanghai Electric Power Generation Environment Protection Engineering Co., Ltd. (Note)	**2022**	2024
Shanghai Electric Distributed Energy Technology Co., Ltd. (Note)	**2022**	2024
Shanghai Electric Guoxuan New Energy Technology Co., Ltd. (Note)	**2022**	2024
Shanghai Turbine Works Co., Ltd. (Note)	**2022**	2024
Shanghai Electric (Anhui) Energy Storage Technology Co., Ltd. (Note)	**2022**	2024

Note: The 2025 recertification is currently under application and is expected to be approved, allowing the subsidiaries to maintain its High-Tech Enterprise certification.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

10. TAXATION(CONT'D)

(b) Pursuant to the Notice of the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Cai Shui [2023] No. 43) jointly issued by the Ministry of Finance and the State Taxation Administration, several subsidiaries of the Group as advanced manufacturing enterprises, are allowed to credit the amount of input VAT deductible in the current period plus 5% thereof against the VAT payable from 1 January 2023 to 31 December 2027.

(c) The following first-tier subsidiaries of the Group are subject to the local tax rates in accordance with the current laws, interpretative announcements, and practices of the countries in which they operate:

	Income tax rate
Sida Motor Manufacturing Co., Ltd.	15.83%
Shanghai Electric (India) Limited Company	25.00%
Shanghai Electric (Vietnam) Limited Company	20.00%
Shanghai Electric Power Generation (Malaysia) Co., Ltd.	24.00%
Shanghai Electric (Panama) Limited Company	25.00%
Shanghai Electric Group Europa Co., Ltd.	15.00%
Shanghai Electric Hong Kong Co., Ltd.	16.50%
Shanghai Electric Newage Company Limited	16.50%

10. TAXATION (CONT'D)

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Current tax charges for the period	**630,606**	651,376
Annual filing differences for the current period	**39,685**	(6,138)
Deferred income tax	**114,462**	(63,654)
	784,753	581,584

The reconciliation from income tax calculated based on the applicable tax rates and total profit /(loss) presented in the consolidated income statement to the income tax expenses is listed below:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Total profit	**2,831,667**	2,566,225
Tax at the statutory tax rate (Note 1)	**707,917**	641,556
Lower tax rates for specific districts or concessions	**(215,659)**	(214,170)
Adjustments for current income tax of prior periods	**39,685**	(6,138)
Profits and loss attributable to joint ventures and associates	**(192,029)**	(165,321)
Income not subject to tax	**(10,711)**	(19,223)
Expenses not deductible for tax	**46,101**	42,094
Tax incentives on eligible expenditures	**(105,298)**	(113,038)
Utilization of previously unrecognised tax loss and deductible temporary differences	**(36,538)**	(14,747)
Tax loss and deductible temporary differences for which no deferred tax assets was recognised	**551,285**	430,571
Income tax expenses	**784,753**	581,584

Note 1: The Group's income tax is provided based on estimated taxable income in China and the applicable tax rates. Taxes on income assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

11. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. Newly issued ordinary shares are included in the weighted average number of shares from the date consideration is receivable (which is generally the date of their issue) according to specific terms of the issuance contract.

Basic earnings per share are calculated as follows:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000 (Restated)
Consolidated net profit attributable to ordinary shareholders of the parent company	**820,752**	764,798
Weighted average number of ordinary shares outstanding (Unit: 1,000 shares)	**15,579,125**	15,579,809
Basic earnings per share	**RMB 0.053 yuan**	RMB 0.049 yuan
Including:		
- Basic earnings per share from continuing operations:	**RMB 0.053 yuan**	RMB 0.049 yuan
- Basic earnings per share from discontinued operations:	**-**	-

Diluted earnings per share

Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. For the six months ended 30 June 2025, the Company had no dilutive potential ordinary shares. Therefore, diluted earnings per share equal to basic earnings per share.

12. DIVIDENDS

For the six-month period ended 30 June 2025, the Group has not declared or distributed any dividends.

13. FIXED ASSETS

	Land and buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Equipment, tools and others RMB'000	Total RMB'000
Cost:					
31 December 2024	18,795,758	22,002,432	471,524	2,361,547	43,631,261
Increase in the current year					
Purchase	199,762	394,328	4,517	111,204	709,811
Transfer from construction in progress	126,315	1,108,427	3,204	61,939	1,299,885
Decrease in the current year					
Disposal and retirement	(117,164)	(353,535)	(10,062)	(109,477)	(590,238)
Decrease due to disposal of subsidiaries	(136,036)	(53,845)	(879)	(2,286)	(193,046)
Transfer to investment properties	(2,467)	-	-	-	(2,467)
Differences on translation of foreign currency financial statements	64,515	185,606	1,597	53,236	304,954
30 June 2025	18,930,683	23,283,413	469,901	2,476,163	45,160,160
Accumulated depreciation:					
31 December 2024	6,487,106	13,617,195	379,091	1,589,917	22,073,309
Increase in the current year					
Provision	315,213	573,210	11,462	102,792	1,002,677
Decrease in the current year					
Disposal and retirement	(55,323)	(211,848)	(9,010)	(93,030)	(369,211)
Decrease due to disposal of subsidiaries	(19,322)	(17,654)	(866)	(2,061)	(39,903)
Transfer to investment properties	(202)	-	-	-	(202)
Differences on translation of foreign currency financial statements	29,165	120,437	596	40,780	190,978
30 June 2025	6,756,637	14,081,340	381,273	1,638,398	22,857,648
Provision for impairment:					
31 December 2024	481,900	178,095	523	801	661,319
Increase in the current year					
Provision	-	25,900	-	-	25,900
Decrease in the current year					
Disposal and retirement	-	(9,227)	-	(416)	(9,643)
Decrease due to disposal of subsidiaries	-	-	-	-	-
30 June 2025	481,900	194,768	523	385	677,576
Net carrying amount:					
30 June 2025	11,692,146	9,007,305	88,105	837,380	21,624,936
31 December 2024	11,826,752	8,207,142	91,910	770,829	20,896,633

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. FIXED ASSETS (CONT'D)

(a) As at 30 June 2025, the Group pledged fixed assets with a carrying amount of RMB 1,006,824 thousand (31 December 2024: RMB 664,318 thousand) to obtain long-term borrowings.

(b) As at 30 June 2025, the Group's buildings with a net book value of RMB 1,429,410 thousand (31 December 2024: a net book value of RMB 1,183,815 thousand) were under processing for property certificate due to recent renovation or government planning. Management of the Company believes that there is no substantive legal obstacle for these property certificates, which will not adversely affect the Group's operations.

(c) As at 30 June 2025, there were no terms of guaranteed residual values specified in the lease contract for machinery and equipment signed by the Group as the lessor.

14. ACCOUNTS RECEIVABLE

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Accounts receivable	**55,409,403**	55,196,640
Less: Provision for bad debts	**(17,927,465)**	(17,649,203)
	37,481,938	37,547,437

The aging of accounts receivable was analysed as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Not overdue	**21,454,912**	20,316,523
Overdue within 1 year	**10,151,935**	10,854,691
Overdue 1 to 2 years	**5,609,313**	6,119,012
Overdue 2 to 3 years	**2,909,000**	2,681,025
Overdue 3 to 4 years	**2,758,208**	4,805,595
Overdue 4 to 5 years	**4,545,877**	4,412,705
Overdue over 5 years	**7,980,158**	6,007,089
	55,409,403	55,196,640

The aging of accounts receivable based on the date of entry was analysed as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 1 year	**27,772,456**	28,208,987
1 to 2 years	**7,680,774**	7,017,109
2 to 3 years	**2,954,207**	3,502,584
3 to 4 years	**3,539,405**	5,203,788
4 to 5 years	**5,251,414**	5,132,500
Over 5 years	**8,211,147**	6,131,672
	55,409,403	55,196,640

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15. ACCOUNTS PAYABLE

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Accounts payable	**66,807,819**	60,569,875

The aging of accounts payable was analysed as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 1 year	**55,037,871**	50,707,331
Over 1 year	**11,769,948**	9,862,544
	66,807,819	60,569,875

As at 30 June 2025, accounts payable with ageing over one year amounted to RMB 11,769,948 thousand (31 December 2024: RMB 9,862,544 thousand), which mainly comprised payables for construction projects and payables for materials. Such accounts are unsettled for the projects are still under construction.

16. SHORT-TERM BORROWINGS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Credit borrowings	**10,386,150**	9,130,344
Pledge borrowings	**58,341**	105,000
Guaranteed borrowings(a)	**3,000**	8,000
Discounted borrowings(b)	**376,227**	304,883
	10,823,718	9,548,227

(a) As at 30 June 2025, the company and its subsidiaries guaranteed the short-term borrowings amounting to RMB 3,000 thousand (31 December 2024: RMB 8,000 thousand) of several subsidiaries.

(b) As at 30 June 2025, the Group discounted commercial acceptance bills amounting to RMB 31,930 thousand and bank acceptance bills totaling RMB 344,297 thousand to obtain short-term bank borrowings of RMB 376,227 thousand (31 December 2024: the Group discounted commercial acceptance bills of RMB 301,857 thousand and bank acceptance bills of RMB 3,026 thousand to obtain short-term bank borrowings of RMB 304,883 thousand).

As at 30 June 2025, the annual interest rate of short-term borrowings was 0.92% to 5.92% (31 December 2024: 0.45% to 5.93%).

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17. LONG-TERM BORROWINGS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Credit borrowings	**25,928,897**	23,944,572
Mortgage borrowings	**2,318,399**	1,912,410
Pledge borrowings(a)	**4,040,119**	4,860,332
Guaranteed borrowings(b)	**3,511,199**	5,754,867
	35,798,614	36,472,181
Less: Current portion of long-term borrowings	**(10,901,312)**	(8,790,064)
	24,897,302	27,682,117

(a) As at 30 June 2025, the Group pledged accounts receivable with a carrying amount of RMB 1,905,996 thousand (31 December 2024: RMB 2,421,710 thousand) to obtain long-term borrowings of RMB 740,573 thousand (31 December 2024: RMB 1,797,055 thousand).

As at 30 June 2025, the Group pledged the future collection rights of several PPP projects and power generation projects with a carrying amount of RMB 12,706,856 thousand (31 December 2024: RMB 12,798,599 thousand) to the bank to obtain long-term borrowings of RMB 3,509,526 thousand (31 December 2024: RMB 3,063,277 thousand).

(b) As at 30 June 2025, the Company and its subsidiaries provided guarantees of RMB 3,511,199 thousand for long-term borrowings of certain subsidiaries (31 December 2024: RMB 5,754,867 thousand).

As at 30 June 2025, the annual interest rate of long-term borrowings was 1.00% to 8.33% (31 December 2024:1.00% to 8.33%).

As at 30 June 2025, the analysis of the maturity period of long-term loans is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
1 to 2 years	**5,088,787**	8,436,107
2 to 5 years	**11,772,599**	6,448,247
Over 5 years	**8,035,916**	12,797,763
	24,897,302	27,682,117

18. BONDS PAYABLE

	31 December 2024 (Audited) RMB'000	Increase in the current period RMB'000	Interest accrued at par value RMB'000	Amortisation of premium or discount RMB'000	Repayment in the current period RMB'000	30 June 2025 (Unaudited) RMB'000
22 MTN001 (a)	766,064	-	6,038	1,748	(773,850)	-
Less: Current portion of bonds payable	(766,064)					-
	-					-

(a) The Group's subsidiary, Shanghai Electric Wind Power Group Co., Ltd. issued the first phase of 2022 green medium-term notes of Shanghai Electric Wind Power Group Co., Ltd. in April 2022, with a maturity of 3 years. The value date is 29 April 2022, and the redemption date is 29 April 2025. The proposed total issuance is RMB 750 million, and the actual total issuance is RMB 750 million; the issuance interest rate is 3.18%, with annual interest payments, and has been redeemed upon maturity.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. SHARE CAPITAL

	31 December 2024 (Audited) RMB'000	Movements in the current period Shares newly issued RMB'000	Bonus share RMB'000	Transfer from capital surplus RMB'000	Others RMB'000	Sub-total RMB'000	30 June 2025 (Unaudited) RMB'000
Ordinary shares denominated in RMB	12,655,327	-	-	-	-	-	12,655,327
Foreign shares listed overseas	2,924,482	-	-	-	-	-	2,924,482
	15,579,809	-	-	-	-	-	15,579,809

	31 December 2023 (Audited) RMB'000	Movements in the current period Shares newly issued RMB'000	Bonus share RMB'000	Transfer from capital surplus RMB'000	Others RMB'000	Sub-total RMB'000	30 June 2024 (Unaudited) RMB'000
Ordinary shares denominated in RMB	12,655,327	-	-	-	-	-	12,655,327
Foreign shares listed overseas	2,924,482	-	-	-	-	-	2,924,482
	15,579,809	-	-	-	-	-	15,579,809

20. CONTINGENT LIABILITIES

In June 2008, Shanghai Electric signed the Equipment Supply and Service Contract with an Indian buyer to provide major equipment and related services to a coal-fired power station project in Sasan, India, with a total contract amount of USD 1,311 million, and a guarantee letter from its related parties was provided for the payment obligations under the contract.

In December 2019, due to long-term default in the payment of equipment expenses and other related expenses by the buyer, the Company submitted an arbitration application to the Singapore International Arbitration Centre (SIAC), requiring the guarantor to pay the Company at least USD 135 million of equipment expenses and other related payables as prescribed in the guarantee letter, and in December 2020, the Company submitted an application to the local High Court for property preservation of the guarantor.

In August 2021, the Company received a copy of the indictment ("Lawsuit I") filed by the lawyer of the operator of the coal-fired power station project, in which the operator sued the general contractor and the buyer of the project (related parties of the operator) and the Company, seeking joint liabilities from all defendants for losses of approximately RMB 2,133 million, mainly including losses in power plant operation, losses in electricity revenue, interest and other expenses.

In December 2021, the Company received a notice of acceptance from the Singapore International Arbitration Center regarding the arbitration application (hereinafter referred to as "Arbitration II") filed by the buyer against the Company. The buyer claimed that the Company should compensate them for approximately USD 389 million in losses under this contract. This includes a total of USD 324 million for power plant operation losses and electricity revenue losses that should be compensated to the project operator, USD 31 million for repair costs, USD 34 million for liquidated damages due to delayed equipment shipment, as well as interest and other expenses. Additionally, the buyer argued that the project performance bond was unreasonably released and demanded that the Company issue a performance bond of USD 120 million to secure their claims.

In July 2022, the High Court of Bombay in India dismissed the petition ("Lawsuit I") on the grounds that the plaintiff did not satisfy the conditions of the lawsuit and failed to amend the petition within the prescribed time. As at the issue date of these financial statements, the Company had not received any formal documents issued by the Indian court.

In December 2022, the company received the award for Arbitration I issued by the SIAC, which ruled as follows: The guarantor was ordered to pay the company a total of USD 146 million, including outstanding project payments, pre-award interest, and other legal costs; the guarantor was ordered to pay post-award interest on the aforementioned amount from the 28th day after the award was issued until the date of payment; and the guarantor was ordered to bear 85% of the final arbitration costs. As of the date of issuance of these financial statements, the company has not yet received the above-mentioned payments.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

20. CONTINGENT LIABILITIES(CONT'D)

In May 2023, the Company formally initiated the recognition and enforcement proceedings for the "Arbitration I" award at the High Court of Delhi, India. Additionally, the Company received a notice from the SICC indicating that the guarantor had filed an application with the SICC to set aside the "Arbitration I" award rendered by the SIAC. This application to set aside has been accepted by the SICC.

On January 31, 2024, the Company received a notice from the SICC stating that the court had issued a judgment dismissing the guarantor's application to set aside the "Arbitration I" award and ordering the guarantor to pay the Company the related litigation costs. On March 3, 2024, the Company was notified that the guarantor had filed an appeal with the Singapore Court of Appeal to set aside the judgment of the SICC. This appeal has been accepted by the Singapore Court of Appeal. On July 31, 2024, the Singapore Court of Appeal ruled to dismiss the guarantor's appeal and ordered the guarantor to pay the Company the related litigation costs.

In March 2024, the Company formally obtained a final order from the High Court of Delhi, India, for interim protective measures. The order prohibits the guarantor from using its assets for external financing and stipulates that, in the event of asset disposal such as through auction, the Company's claims shall be prioritized for repayment after the settlement of bank debts.

As of the date of issuance of these financial statements, the enforcement of "Arbitration I" remains pending, and "Arbitration II" has not yet been concluded. Based on written opinions from external legal counsel, the Company believes that the claims made by the opposing party in the relevant arbitrations are unlikely to be upheld. Therefore, no provision for contingent liabilities has been recognized in relation to these disputes.

Apart from the aforementioned legal matters, as of June 30, 2025, the Group's contingent liabilities related to other pending litigation and arbitration amounted to RMB 89,645 thousand. No provisions have been made for these disputes as management considers it unlikely that the claims by the opposing parties will be sustained (December 31, 2024: RMB 124,907 thousand).

As of June 30, 2025, the maximum amount of loan guarantees provided by the Group to related parties was RMB 1,250,496 thousand, with actual loan guarantees issued amounting to RMB 851,729 thousand (December 31, 2024: RMB 942,175 thousand). The Group provided a counter-guarantee to Electric Holdings with an estimated maximum amount of USD 125 million (equivalent to RMB 897 million). No bank acceptance bills were issued for related parties during the period (December 31, 2024: nil). The Group recognized a provision for contingent liabilities related to the above amounting to RMB 220,597 thousand.

21. COMMITMENTS

(1) Capital commitments

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contracted	**1,289,315**	790,969
Authorised but not contracted	**139,290**	152,990
	1,428,605	943,959

(2) Investment commitments

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contracted but not fulfilled	**1,034,650**	718,137

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

22. RELATED PARTY TRANSACTIONS

The pricing on transactions between the Group and related parties is based on market prices of similar products or businesses.

(1) Significant transactions between the Group and related parties during the period are as follows:

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
Purchase of materials from:		
SEC group companies	**50,101**	118,995
Associates	**1,005,148**	1,466,624
Other related companies	**228,812**	205,000
	1,284,061	1,790,619
Sales of goods to:		
SEGC	**46,525**	210,933
SEC group companies	**87,919**	96,265
Joint ventures	**38**	-
Associates	**195,232**	53,130
Other related companies	**128,565**	169,464
	458,279	529,792

22. RELATED PARTY TRANSACTIONS (CONT'D)

(1) Significant transactions between the Group and related parties during the period are as follows (Cont'd):

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
As a leasor:		
Lease income		
SEGC	**1,611**	8,091
SEC group companies	**80,116**	86,565
Joint ventures	**4,241**	3,482
Associates	**23,975**	9,056
	109,943	107,194

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

22. RELATED PARTY TRANSACTIONS (CONT'D)

(2) Loans provided to the Group by related parties

	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
SEGC	**159,100**	-

(3) Borrowing guarantees provided by the Group to the related parties

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Maximum amount RMB'000	Actual guarantee amount RMB'000	Maximum amount RMB'000	Actual guarantee amount RMB'000
Thar Coal Field No. 1 Area Power Generation Co., Ltd.	**897,496**	**734,958**	901,233	764,568
Tianjin Qingyuan Water Treatment Technology Co., Ltd.	**253,000**	**116,771**	253,000	118,607
Yumen Xinneng CSP No.1 Electric Power Co., Ltd.	-	-	100,000	59,000

22. RELATED PARTY TRANSACTIONS (CONT'D)

(4) Compensation of key management personnel of the Group

	For the six months ended 30 June 2025 (Unaudited) HKD'000	For the six months ended 30 June 2024 (Unaudited) HKD'000
Director	**1,695**	1,554
Supervisor	**258**	648
Senior management	**2,227**	3,108
	4,180	5,310

23. APPROVAL OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

The interim consolidated financial information is unaudited but reviewed by the audit committee of the Company.

The unaudited interim consolidated financial information was approved to be issued by the Board of Directors on 29 August 2025.